

2012-2013 Annual Plan Update of the 2010-2015 Consolidated Plan

**for federally-funded community development programs
operated by the State of California:**

Community Development Block Grant (CDBG)
Disaster Recovery Initiative (DRI)
Home Investment Partnerships Program (HOME)
Emergency Solutions Grants Program (ESG)
Housing Opportunities for Persons with AIDS (HOPWA)
Lead Based Paint Hazard Control Program (LHCP)

State of California
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May 2012

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Executive Summary

This 2012-13 Annual Plan Update (AP) is the third of five annual supplements to the State of California 2010-2015 Consolidated Plan (ConPlan). It outlines the state's current housing and community development needs and sets the State's priorities and strategies to address these needs in FY 2012-13, using federal community development funds from the U.S. Department of Housing and Urban Development (HUD), and from other federal and State sources.

This AP describes projected HUD funding levels for fiscal year 2012-13, State and other resources expected for the year, program operation schedules, the year's goals, objectives and planned operations, and the performance measures to determine degrees of success. Below is an outline of the goals and objectives described in this plan:

These State-administered funds are available, with exceptions, only to nonurban and rural cities and counties ("non-entitlement" jurisdictions) that do not receive funds from these programs directly from the federal Department of Housing and Urban Development (HUD). See Appendices A and B for lists of eligible jurisdictions.

Statewide Goals, 2012-13

- Meeting the housing needs of low-income renter households, including providing homeownership opportunities for first-time homebuyers;
- Meeting the housing needs of low-income homeowner households;
- Meeting the housing, supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness; and
- Mitigation of impediments to fair housing choice.

Program Objectives

Community Development Block Grant (CDBG)

- Improve life in California cities and counties by providing decent housing, a suitable living environment, and expansion of economic opportunities primarily for targeted lower income and special needs populations.
- Make grants available where at least 51 percent of program funds will go toward providing or improving housing opportunities for low- and moderate-income income groups, or toward other activities that support housing opportunities for low- and moderate-income groups. This may include, but is not limited to, the construction of infrastructure.

- Reduce the amount of grant funds unexpended by grantee jurisdictions to the HUD recommended maximum of twice their annual grant amounts.

Disaster Recovery Initiative

The primary objectives of the 2008 DRI Program, including the DREF allocation, are to provide financial assistance to eligible jurisdictions (Counties, Cities and Tribes) for necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, housing and economic revitalization in areas affected by wildfire disasters occurring in 2008.

Disaster Recovery Initiative/Disaster Recovery Enhancement Fund (DRI/DREF)

- Provide incentives until all funds are expended to incorporate enhanced mitigation techniques (designs and materials) as part of jurisdictions' disaster repair and rehabilitation activities, by providing an additional \$15,000,000 to help cover the costs of enhanced designs and materials that increase mitigation.
- Provide incentives until all funds are expended to incorporate forward thinking hazard mitigation planning in jurisdictions' disaster recovery efforts (eg, creation and update of Local Hazard Mitigation Plans (LHMPs), Safety Elements in General Plans, or other disaster-related planning activities), as well as forward thinking land use planning.
- Provide incentives until all funds are expended to adopt updated building codes and code enforcement as repair and rehabilitation projects are completed.

Neighborhood Stabilization Program (NSP 1)

All State funds have been awarded. Expend all NSP1 funds by March 2013 to purchase abandoned and foreclosed homes and residential property for rehabilitation and/or redevelopment activities. Report beneficiary data as required by HUD.

Neighborhood Stabilization Program (NSP 3)

All State funds have been awarded. Expend all NSP 3 funds within 3 years of the grant as required by HUD, to provide affordable rental housing for very low income and low income households in urban areas that continue to experience the impacts of the foreclosure crisis, by acquiring, rehabilitating, and reselling or renting foreclosed single family homes to lower income households in the areas of greatest need.

Home Investment Partnerships Program (HOME)

- HOME funds will continue to be used to support the development of rental housing for all types and sizes of low-income households. HOME will consider continuing to use State Objective bonus points to encourage lower rents than the standard Low and High HOME rents.

- Allow use of HOME funds for both first-time homebuyer (FTHB) downpayment assistance programs and construction projects, as well as owner-occupied rehabilitation (OOR) programs.
- Allow use of HOME funds for acquisition, rehabilitation, or construction of permanent supportive housing for special needs populations, and transitional housing to provide temporary shelter to individuals and families who are currently homeless. HOME Program funds can also be used to provide Tenant Based Rental Assistance (TBRA), including security deposit assistance, to assist persons to access and maintain housing.
- Allow use of HOME funds to mitigate impediments to fair housing choice.

Emergency Solutions Grants Program (ESG)

ESG will fund street outreach, emergency shelter, homelessness prevention programs and rapid re-housing programs serving homeless and low-income individuals and families, consistent with the new federal regulatory requirements governing the Emergency Solutions Grants Program.

The State has identified the following categories to be addressed in the ESG design:

- Rating and ranking criteria for subrecipients
- Funding criteria including regional distribution
- Continuum of Care (CoC) collaboration
- Centralized and coordinated assessment system

Programs serving the chronically homeless, homeless veterans and underserved counties will receive State objective points in the 2012-13 funding round. HCD will also determine if particular types of facilities or programs serving the chronically homeless should receive State Objective points due to an imbalance in the types of programs funded in the previous funding round.

Monitoring activities will be based on a risk assessment, which will include, but not be limited to, expenditure rate and reporting. The risk assessment will help determine whether to perform a desk audit or a site visit.

Housing Opportunities for Persons with AIDS (HOPWA)

Continue implementing long-term comprehensive strategies to meet the housing needs of persons living with human immunodeficiency virus (HIV), Acquired Immunodeficiency Syndrome (AIDS), or related diseases, and their families. Allocate HOPWA funds in a manner that ensures participating counties are able to meet the most urgent HIV/AIDS housing needs of the clients within their community and in turn alleviate or prevent homelessness among persons living with HIV/AIDS. Help sponsors establish linkages with other mainstream resources (e.g. housing authorities, local Continuum-of-Care groups, homeless service agencies) through technical assistance and other HOPWA resources.

Lead Based Paint Hazard Control Program (LHCP)

Provide lead hazard reduction services to 210 privately-owned housing units meeting income eligibility, occupied by low- to moderate-income families, homes with children under the age of six, or homes with children that spend a significant amount of time, and children with elevated blood lead levels. Lead hazard control services will be provided in conjunction with weatherization services funded by U.S. Department of Energy Weatherization Assistance Program and Low-Income Home Energy Assistance Program weatherization services.

Ongoing Programs

The ConPlan and the AP are prerequisites for receipt of the State's allocation of HUD funds for the following programs:

- Community Development Block Grant (**CDBG**)
- HOME Investment Partnership (**HOME**)
- Emergency Solutions Grants (**ESG**; previously known as the Federal Emergency Shelter Grant Program, FESG)
- Housing Opportunities for Persons Living with AIDS (**HOPWA**)
- Lead-Based Paint Hazard Control Program (**LHCP**)

CDBG, HOME and ESG are administered by the California Department of Housing and Community Development (the Department, or HCD). HOPWA is administered by the California Department of Public Health (CDPH), and LHCP is administered by the California Department of Community Services and Development (CSD). These programs are described in more detail in following sections of this plan.

Economic Stimulus and Disaster Recovery Programs

In addition to the five ongoing programs listed above, this AP includes information on two still-active programs of the several special federal economic stimulus and disaster recovery programs enacted in 2008 and 2009:

- Disaster Recovery Initiative (**DRI/DREF**, administered by the HCD CDBG program; More details on **DRI/DREF** are given in the CDBG chapter, later in this plan.)
- Homelessness Prevention and Rapid Re-Housing Program (**HRP**; administered by the HCD ESG program; expires in September 2012)

Other temporary federal stimulus programs operated by the State, including the CDBG-Recovery program (**CDBG-R**) and the first round of the Neighborhood Stabilization Program (**NSP1**; both were administered by the HCD CDBG program), and the Tax Credit Assistance Program (**TCAP**, administered by the State Treasurer), have ended. The State's funds for the third round of the Neighborhood Stabilization Program (**NSP3**, also administered by HCD CDBG) have all been awarded. Fifty percent of State NSP3

funds must be expended by recipients by December 31, 2012 and 100 percent by February 28, 2014.

Goals

This 2012-13 Annual Plan (AP):

- summarizes the State's priorities and strategies for the delivery of funds for housing, and addressing homelessness, community development, lead abatement and housing for persons with special needs;
- provides a platform of actions the State will initiate during the next year to further the goals and objectives of the ConPlan;
- explains the State's method for distributing the funds made available through these programs; and
- provides opportunity for public review and input on the contents and development of the AP.

The State's 2010-2015 ConPlan sets four over-arching goals that are applicable to the Department's efforts to provide housing and community development needs through a variety of federal and State resources. These include:

- meeting the housing needs of low-income renter households, including providing homeownership opportunities for first-time homebuyers;
- meeting the housing needs of low-income homeowner households;
- meeting the housing, supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness; and
- mitigation of impediments to fair housing, including but not limited to updating HCD's Analysis of Impediments (AI) as required by HUD, and exploring ways to further fair housing through the distribution and use of CDBG and HOME funds.

The State's progress in achieving the goals outlined above will be measured through specific objectives, outcome measures and indicators in accordance with the March 7, 2006 Performance Measurement Final Rule published by HUD. Information on the specific required indicators for each program is detailed in the program specific sections later in this plan.

Performance in 2010-11

During the 2010-11 Program Year (described in the Consolidated Annual Performance and Evaluation Report (CAPER) for 2010-11 submitted to HUD in September, 2011), the CDBG, HOME, ESG and HOPWA programs assisted a total of 61,550 households and homeless individuals and families with housing and supportive services. A total of 2,034 renter households and 1,050 owner households were assisted through the **CDBG, HOME and HOPWA** programs; 50 percent of the total 3,084 had incomes at or below

30 percent of area median household income (AMI), and the 1,208 of them which were assisted by HOPWA had at least one member living with HIV/AIDS. In addition, **FESG** assisted a total of 58,384 homeless individuals and families with emergency shelter, supportive services and/or homelessness prevention assistance.

In 2010-11, the **CDBG** program issued Notices of Funding Availability (NOFAs) that included funds from HUD's annual allocation plus disencumbered funds from prior grant years and any remaining funds not utilized. The CDBG program awarded a total of \$48,356,181 in 2010-11 through the Community Development (CD) Allocation, Native American and Economic Development components.

HCD CDBG awarded \$33,918,201 through the CD Allocation component. The Economic Development program awarded \$8,866,355 in grants for Business Assistance and Micro-enterprise programs, and \$5,571,625 through the Over-the-Counter component. A combined ED and CD Planning and Technical Assistance (PTA) NOFA was released, resulting in 38 awards for a total of \$3,076,090, including 27 awards for CD PTA studies and 30 for ED PTA studies.

In 2010-11, HCD awarded DRI funds totaling \$13,785,098 to twelve jurisdictions. Activities funded included Housing Rehabilitation, repair of Public Improvements and Public Facilities, Homeownership Assistance and forward-thinking disaster-related land-use planning.

In 2011-12, the **HOME** Program awarded a total of \$37,050,000 million in HOME funds to 32 applicants funding 47 activities assisting an estimated 719 households, including first-time homebuyer programs (25 percent), first-time homebuyer new construction (six percent), rental new construction (50 percent), owner-occupied rehabilitation (14 percent) and tenant-based rental assistance programs (six percent).

The **FESG** Program funded a variety of projects including emergency shelters, transitional housing, day centers and homeless prevention, serving individuals and families, battered women and homeless youth. Homelessness prevention activities, such as eviction prevention, security deposits, housing counseling and legal representation, were also funded. During FY 2010-11, the FESG Program provided assistance to an estimated 44,178 homeless individuals and 14,206 homeless families. A total of \$6.6 million was awarded to 38 units of local government and non-profit organizations for operation costs, essential service activities, homelessness prevention services, shelter staff administration and grant administration.

The **HPRP** (Homeless Prevention and Rapid Re-Housing) Program met its commitments under the Grant Agreement. The program made a total of 31 awards statewide totaling \$42,688,202. These awards resulted in collaborations of approximately 160 partnered agencies and facilitated the formulation of Continuums of Care (CoCs) for underserved counties. As of December 2011, HPRP provided assistance to an estimated 28,271 homeless individuals and 11,022 homeless families.

During FY 2010-11 (July 1, 2010 through June 30, 2012), a total of \$4.2 million in **HOPWA** funds was awarded to 25 eligible project sponsors and 1,290 HOPWA eligible households were assisted through HOPWA funded housing assistance activities including emergency assistance, transitional housing assistance, independent living and supportive housing. Supportive services were provided to 1,647 persons. Approximately

53 percent of HOPWA funds were used for the prevention of homelessness among persons living with HIV/AIDS and their families through the use of short-term rent, mortgage and utility assistance payments, facility-based housing assistance and tenant-based rental assistance.

In addition, HOPWA project sponsors in the 42 eligible counties provided permanent supportive housing placement assistance in the form of security deposits and housing information services to persons who were homeless or at-risk of becoming homeless. Housing placement assistance activities accounted for approximately 15 percent of HOPWA funds expended in FY 2010-11. Approximately 22 percent of the funds expended were used for supportive services, including but not limited to case management, transportation and food vouchers.

In March, 2012, HUD awarded the **LHCP** program \$2.3 million for a new 36-month program (Round 18) to provide lead hazard reduction services to 150 privately-owned housing units. LHCP's previous grant expired in April, 2012. With the new funding, CSD will partner with its four current Community-Based Organizations (CBOs) and add Fresno County Economic Opportunities Commission (EOC) to the program (Round 18).

During FY 2010-11, **LHCP** continued to work aggressively with its current Round 15 – ARRA grant. LHCP achieved the milestone of expending 95 percent of grant funds before the December 31, 2011 deadline. LHCP faced several obstacles since the grant began, including a new Davis-Bacon Prevailing Wage requirement which forced the Fresno County Economic Opportunities Commission (EOC) to withdraw from the program because of its inability to issue prevailing wages to its youth corps members. Maravilla Foundation also withdrew early in the program, but at CSD's request rejoined to assist with program shortfalls. Work crews were shared with Department of Energy and Low-Income Home Energy Assistance Program weatherization programs. LHCP fully expended the grant by the April 14, 2012 deadline.

Public Participation Process

HCD has the lead role in preparing the ConPlan and its AP Updates for the State of California. The Department solicits input from public, private, and nonprofit organizations, and other State agencies to prepare this AP and subsequent AP Updates in accordance with the Citizen Participation Plan in the ConPlan.

Public notices containing a description of the draft document and related amendments, inviting comments, and announcing public hearings are routinely emailed to local governments, other interested parties and depository libraries, and placed on the Department's website at <http://www.hcd.ca.gov/hpd/hrc/rep/fed/>. Paper copies of notices and the draft AP are sent on written request. Notices are also published in newspapers of record to notify the public of the document development process, timelines, and participation options.

This draft AP was available for comment from all interested parties for a 30-day period, from March 26 through April 24, 2012. Public hearings were held on April 16 in Sacramento, April 20 in Riverside County, and April 17 in Shasta County. For details see the Public Notices in Appendix F. One public comment was received (see page 11).

Copies of the draft AP were made available for review at the Department's Housing Resource Center, and copies of the Public Notice were e-mailed to CDBG, HOME, ESG, HOPWA and LHCP program contacts and interested parties. Both notices were available on the Department's website at <http://www.hcd.ca.gov/hpd/hrc/rep/fed/> and also at public depository libraries as identified in the notice (see Appendix F) throughout the public comment period. HCD's website is at <http://www.hcd.ca.gov/> and the email address is caper@hcd.ca.gov.

This public participation process is governed by the following Citizen Participation Plan:

Citizen Participation Requirements and Plan

Development of the Plan (Section 91.115(b)(I)): Prior to adoption of the ConPlan, the State made available to citizens, public agencies, and other interested parties information about the amount of assistance the State expects to receive and the range of activities that may be undertaken, including the estimated amount that will benefit persons of low- and moderate-income and the plans to minimize displacement of persons and to assist any persons displaced. The State made this information available, prior to adoption of the ConPlan, on HCD's website, to the State's electronic mailing lists for the affected federal programs, at County Planning Departments, State Depository Libraries, at the public hearing locations, and upon request. This information was made available at least 30 days prior to adoption of the Plan.

Availability of Plan (Section 91.115 (b)(2)): For future Annual Plan Updates (APs) of the ConPlan, the State will publish the proposed AP and make it available as noted above. Copies will be provided upon request to any interested party. In addition, summaries of the AP will be published in at least 3 major newspapers of general circulation throughout the State. The summary will describe the contents and purposes of the Plan and will describe how copies of the entire Plan can be reviewed.

Public Hearing on Consolidated Plan (Section 91.115 (b)(3)): The State will hold at least one public hearing to solicit comments on housing and community development needs prior to publishing the AP and the ConPlan for review. This hearing may be held in conjunction with the public hearing(s) on the CAPER, which typically occur in September.

Public Hearing Notice (Section 91.115(b)(3)(i)): The State will provide notification of the public hearings concerning the draft AP and ConPlan at least 14 days prior to the public hearing. Notification of the public hearing(s) concerning the CAPER will be provided at least 7 days prior to the public hearing(s). The notification will be provided by posting on HCD's website, electronic mailings to interested parties, and through a notice in major newspapers of general circulation. The State will consult with interested public and private agencies to encourage wide distribution of notices of the public hearings. Copies of notices will be provided to public and private agencies upon request, for distribution to their members.

Location of Public Hearings (Section 91.115(b)(3)(ii)): Public hearings on the AP will be held in at least two locations throughout the state at times and locations designed to facilitate attendance by potential and actual beneficiaries and ensure adequate accommodation for persons with disabilities. The current locations of public hearings reflect requests by members of public and private agencies; the State will consider

requests for additional or alternative locations to ensure adequate opportunities for interested parties to participate.

Non-English Speaking Needs (Section 91.115(b)(3)(iii)): The State will make every effort to accommodate the needs of non-English-speaking residents at all public hearings. A translator for Spanish speaking residents can be available at all hearings upon prior request. The State will solicit information about the need for translators for public hearings in the notification of the hearing. All requests for assistance will be accommodated to the extent possible. HCD maintains a list of staff that can provide translating services in American Sign Language.

Comments (Section 91.115(b)(4-5)): The State will provide a minimum comment period of 30-days for comments on the ConPlan and AP, and 15 days for comments on the CAPER.

The State will consider written comments, including via facsimile or e-mail, received and provided at the public hearings on the ConPlan, AP and CAPER. The State will also solicit and consider comments received in a manner convenient to the public. The three documents will be revised as appropriate to include written responses to all comments received.

Amendments (Section 91.115(c)): The State will amend its ConPlan under the following circumstances:

- (1) to reflect a major change in the allocation priorities or a major change in the method of distribution of funds;
- (2) to conduct an activity with program funds or income, not specifically described in the action plan; or
- (3) to revise the purpose, scope, location, or type of beneficiaries of proposed activities.

It is the intent of the State, except when necessary, not to initiate changes in the AP that would require a substantial amendment to the ConPlan except when the ConPlan is otherwise being revised (e.g., 5 year updates and annual APs). This will ensure that interested parties will be adequately aware and informed of opportunities to participate in the revision and implementation of the ConPlan. The State will, however, entertain requests and recommendations at any time for consideration in subsequent planned amendments. The State will also amend the Con Plan, AP, or CAPER as necessary to implement changes necessitated by HUD.

The criteria for determining what constitutes a substantial amendment include:

- (1) Any proposed change that would, in effect, constitute a revision in funding priorities or a major change in the method of distribution of funds.
- (2) Any proposed change that would substantially alter the ability of applicants to compete for funds or substantive changes in the specified uses of funds. Minor adjustments to scoring criteria would not constitute a substantial amendment and only need to be reflected in the Notices of Funding Availability (NOFAs).
- (3) Any proposed change that would substantially limit the beneficiaries of the activity.

- (4) Any proposed activity not previously described in the action plan that is inconsistent with existing activities or priorities.

Any substantial amendment will only be adopted after adequate public participation has been provided in accordance with the requirements of this Citizen Participation Plan. Such participation shall include wide distribution of proposed substantial amendments (including but not limited to county planning departments, depository libraries, distribution through electronic mailing lists of the affected federal programs, and posting on HCD's website), at least a 30-day public comment period, and may include at least one public hearing. The State will consider all comments and views of citizens and local governments received in writing, or orally at public hearings in preparing and adopting any substantial amendment of the ConPlan. A summary of all comments and the State's responses will be included in any substantial amendment of the ConPlan.

Citizen Participation Requirements for Local Governments receiving CDBG (Section 91.115(e)): The State encourages participation of citizens in all aspects of the State's CDBG program, including the planning and development of the State's program, the local application and implementation process, and by program beneficiaries. To promote participation of citizens as program beneficiaries, especially targeted income group persons, the State encourages applications by local governments where high rates of poverty exist, and encourages eligible local governments to use CDBG funds to principally benefit targeted income group households. The State requires local governments that receive CDBG funds from the State to comply with at least the following citizen participation requirements:

- (1) Local governments that apply for and administer CDBG funds must have active citizen participation processes that encourage participation by targeted income persons and by residents of neighborhoods with high concentrations of housing and community development needs and targeted income group individuals and households.
- (2) In accordance with federal regulations (24 CFR, §570, 570.486), the State requires local governments to meet federal citizen participation and noticing requirements. The required citizen participation activities include holding accessible public hearings after proper notice. Proper recordkeeping is required. The State monitors for compliance with these federal requirements during its review of each grantee's performance.
- (3) Local governments must meet the needs of non-English speaking persons where significant numbers exist. The State requires local governments to include in their applications maps showing concentrations of non-English speaking persons, and the State reviews local grantee records to verify that the grantee has addressed the needs of non-English speaking persons in the local citizen participation process, including in the distribution of notices and other materials.
- (4) In accordance with CPD Notice CPD-05-03, issued by the U.S. Department of Housing and Urban Development (HUD), Community Planning and Development, on June 6, 2005, regarding the New Freedom Initiative, local governments participating in the CDBG Program are encouraged to expand their outreach efforts to persons with disabilities. This expansion is intended to ensure that persons with disabilities are aware of the support that may be available to them through CDBG-assisted programs in the jurisdictions in which they reside. The State recommends that local government applicants and grantees of the State CDBG Program notify and partner

with local disability advocacy groups, Independent Living Centers (ILCs), and persons with disabilities to identify the needs of persons with disabilities and to determine how best to address the identified needs. The New Freedom Initiative is intended to remove the barriers to community living that are present in the lives of persons with disabilities.

Availability of Plan to Public (Section 91.115(f)): The ConPlan, AP, any substantial amendments, and the CAPER are available upon request to the public and any interested party. These materials are provided in a form accessible to persons with disabilities upon request. Copies are available for review at HCD and on the HCD website.

Records Access (Section 91.115(g)): The State will maintain complete and accurate records relating to the ConPlan and the State's use of assistance under the programs covered by the plan for the preceding five years. The State will provide timely access to this information and records to any citizen, public agency, or interested party upon request.

Performance Reports (Section 91.115(d)): The State shall provide adequate notice of and opportunity to comment on annual performance reports (ie, the CAPER). Such notice will be provided by wide distribution of the notice (including but not limited to county planning departments, depository libraries, distribution through electronic mailing lists of the affected federal programs, and posting on HCD's website), including at least a 15-day public comment period, and at least one public hearing. In addition to comments received through public hearings, the State will accept public comments in any form convenient to the public, including through written responses, facsimile, and e-mail.

The State will consider all comments and views received in writing or orally at public hearings in preparing the CAPER. A summary of all comments and the State's responses will be included in the CAPER.

Complaints (Section 91.115(h)): The State will appropriately respond to all complaints regarding the ConPlan, amendments, and performance reports. Specifically, the State will provide a written response within 15 working days, where practical, to every written citizen complaint regarding the ConPlan, amendments, and performance reports. Comments received during the public hearing and comment period described above will be addressed as described in Section 91.115(b)(4-5). The State will respond to all complaints in a timely manner and in a form most appropriate for the circumstances. Records of all complaints received and their responses will be maintained by the State for a period of five years. In addition to the processes described above, the State encourages public participation through the establishment of advisory committees and technical assistance workshops and ongoing technical assistance efforts

Public Comment and Response

(edited for clarity and length)

By email from Dr. Donna Miranda-Begay, Tribal Chairwoman of the Tübatulabal Tribe in Kern County, April 18, 2012:

Our Tübatulabal Tribe is non-federally recognized and has five Tribal Allotments (160 acres each) located in Kern County. In the past, our Tribe has inquired about applying for the State's Community Development Block Grant (CDBG) Native American Allocation. However,

last year our Tribe learned from your Department that due to our Tribe's location in Kern County, we are not eligible to apply for the CDBG – Native American Allocation, because Kern County receives CDBG funds directly from HUD.

HCD Introductory Response: We respond to each of your numbered comments below; however, we regretfully note up front that federal law (42 USC 5036(d)(2)(A.) which governs the State's administration of federal CDBG funds, does not allow the State of California to provide CDBG funding to your Tribe. The relevant provisions are:

1. State CDBG programs can only distribute funds to units of general local government (towns, cities and counties),
2. State CDBG programs can only fund nonentitlement areas, and;
3. State CDBG programs can only fund non-federally recognized Indian tribes.

Though your Tribe is a non-federally recognized tribe, its location in Kern County places your Tribe in an entitlement area. Kern County can fund Indian tribes from the entitlement CDBG funds it receives directly from HUD if it chooses, but the State CDBG program cannot. The Indian tribes we fund must have their local city or county government apply on their behalf, and the applying city or county government must be located in a non-entitlement area.

The State CDBG Program understands that your tribe has pressing community development needs, so it might be helpful to know that just as the State must complete an Annual Plan to receive its allocation of funding from HUD, so must Kern County. The County's Annual Plan and five year Consolidated Plan must describe its method of distributing funds, and the County must respond to public comments as well.

Comment 1 – Native American awarded amounts, Tribes and project descriptions

In the draft 2012-13 report, there is no data that describes award amounts for Tribes and their project descriptions. If no award has been made – please indicate in the report. It would be nice to see the past years' awards to Tribes – Tribal names, project titles and award amount.

Response to Comment 1 -- This Annual Plan looks ahead to the next fiscal year, before awards are made. The document that reports previous awards is HCD's Consolidated Annual Performance and Evaluation Report (CAPER) to HUD. The most recent CAPER, covering 2010-2011, is posted on the HCD website at: http://www.hcd.ca.gov/hpd/hrc/rep/fed/CAPER10-11_DRAFT06-03-11.pdf). This CAPER describes the two Native American awards made in 2010-11 at the bottom of page 13:

“Two new Native American awards were made in 2010-11. . . for a total of \$1,200,000. This included \$400,000 for a Housing Rehabilitation program in the County of Lassen, and \$800,000 for a Public Facility Rehabilitation project in the City of Shasta Lake.” The Shasta Lake grant was for the benefit of the Wintu Tribe of Northern California, and Lassen County used their Housing Rehab funds for members of the Honey Lake Maidu Tribe.

Comment 2 – Kern County based Tribes are not eligible for State CDBG funding, due to Kern County Government's receiving their CDBG allocation directly from US HUD.

In a November 4, 2011 email response, [HCD CDBG staffmember] Susan Naramore provides clarification about Kern County being an “Urban County”, thus receiving US HUD CDBG funding directly, and making our Tribe, whose allotment lands are located in Kern

County, not eligible for the CA CDBG Native American allocation. Our Tribe wrote to U.S. HUD to ask for assistance in proper funding for our Tribe – but due to our non-federally recognized status, we do not qualify for U.S. HUD funding for “federally recognized” Tribes.

Our Tribe is therefore requesting that your Department’s Executive and Legal Team reconsider the criteria for the CA CDBG Native American Allocation. The CA CDBG Native American allocation was based on the “Housing Finance Acts of 1975 and 1977 establishing the California Indian Assistance Program (CIAP) at HCD and the Native American Allocation” (per Dave Singleton, former employee of CIAP and current employee of Native American Heritage Commission). Our Tribe respects the sovereign decision by Kern County to receive CDBG funding from HUD. However, the California CDBG Native American Allocation is a unique funding base that should be available to non-federally recognized Tribes regardless of their county based location. Our Tribe’s allotment lands are held in trust by the U.S. Government and are located in rural unincorporated Kern County. Traditionally, our Tribal territories expanded over current day Tulare and Kern Counties. Our allotment lands are sovereign lands that also are recognized by the CA Board of Equalization, Dept. of Motor Vehicles, and Franchise Tax Board – regarding “Indian Lands” tax exemptions, motor vehicle registration exemptions, and business based tax exemptions (BOE – web information: www.boe.ca.gov/pdf/pub146.pdf).

Response to Comment 2 -- The State recognizes the Tübatulabal as a non-federally recognized Tribe. However, federal law prohibits the State from providing federal CDBG funds to your tribe because of your location in an urban county entitlement area. This remains true even if Kern County were to apply on your behalf. Neither HCD nor any other State agency has the authority to change federal law.

Comment 3 – Executive Order B-10-11 “Communicating, Collaborating, and Consultation”

Executive Order B-10-11 (signed by Governor Brown on Sept. 19, 2011) outlines the following for California Native American Tribes and other California Native Americans:

.....WHEREAS the State of California recognizes and reaffirms the inherent right of these **Tribes to exercise sovereign authority over their members and territory**; and WHEREAS the **State and the Tribes are better able to adopt and implement mutually-beneficial policies when they cooperate and engage in meaningful consultation**; and WHEREAS the State is committed to strengthening and sustaining effective government-to-government relationships between the State and the Tribes **by identifying areas of mutual concern and working to develop partnerships and consensus**; and WHEREAS **tribal people, as both citizens of California and their respective sovereign nations, have a shared interest in creating increased opportunities for all California citizens.**

In the draft 2012-13 [Annual Plan], there is no inclusion of this executive order in describing the CA CDBG Native American allocation. How do you outreach or communicate with CA non-federally recognized Tribes? How is your department incorporating this executive order?

Response to Comment 3 - Executive Order B-10-11 applies to State programs that are governed by State law. The CDBG program is federally funded, and the use of these funds is governed by federal law and regulation. As noted above, the State CDBG program can only fund tribes when cities and counties (units of general local government) in nonentitlement areas apply on behalf of non-federally recognized tribes located in those areas.

Comment 4 – Lack of a clear description of Native American Tribes (non-federally recognized) who are not eligible for this grant fund, due to their County receiving US HUD CDBG funding (i.e., Kern County).

In the draft 2012-13 report (page 26), the following description is provided for the Native American allocation:

Native American

Pursuant to Health & Safety Code Section 50831 and Title 25 CCR 7062, the State annually sets aside 1.25 percent of its CDBG award for grants to non-federally recognized tribes and rancherias. This is expected to be approximately \$985,202 for 2012-13.

Match: The State program

Based on this description, it appears that the Tübatulabal Tribe's (non-federally recognized) Tribal Allotments would be qualified for the CA CDBG Native American Allocation.

Response to Comment 4 - The Geographic Distribution and Rating Criteria section of this Annual Plan (see page 20) states that "the State CDBG Program funds only nonentitlement jurisdictions." To clarify this issue, HCD has added to this: "and non-federally recognized Indian tribes in nonentitlement areas when eligible units of general local government apply on their behalf."

Comment 5 – Planning and Financial Reporting Resources

Many non-federally recognized tribes do not have a Tribal Office or administration support to apply or obtain a CA CDBG grant. Also, many non-federally recognized tribes do not have a working relationship with their county. This proves to be a challenge for non-federally recognized Tribes seeking to obtain CA CDBG funding. A proposed solution would be to include inter-tribal or multi-allotment councils with non-profits as being eligible to apply for CA CDBG funding on behalf of non-federally recognized tribes or allotment Tribal communities. California is unique with over 50 tribes seeking federal recognition and over 200 Tribal allotments who did not receive federal funding for housing.

Our Tribe is therefore requesting a consultation with your Department's Executive and Legal Representatives.

Response to Comment 5 - As noted above, the State CDBG program can only fund Indian tribes when eligible nonentitlement cities and counties (units of general local government) apply on their behalf. HCD CDBG staff will be happy to meet with you, but will remain unable to assist your Tribe because of your location in Kern County and federal law. We cannot modify federal eligibility criteria for State CDBG funding.

Funding Levels

The State anticipates receiving a total of approximately \$133 million in federal funds for 2012-13 for the programs listed below. As in previous years, CDBG has committed to grantees a portion of the 2012-13 allocation during the previous fiscal year. CDBG funds for 2012-13 will include 50 percent of 2011-12 funds and 100 percent of estimated 2012-13 funds. HOME committed its Federal Fiscal Year (FFY, from October 1 through September 30) 2012 funds in its 2011 NOFA cycle, and will award its FFY 2012 funds in 2011. ESG committed funds in the 2010 NOFA cycle and will commit any unspent funds as a reallocation in the following funding cycle.

| Projected and/or Allocated Federal Funding, 2012-13 | |
|--|---------------------------|
| Community Development Block Grant (CDBG) | \$28,154,485 |
| CDBG Disaster Recovery Initiative (DRI) | \$6,741,871 ¹ |
| CDBG Disaster Recovery Enhancement Fund (DREF) | \$2,749,184 ² |
| Home Investment Partnership Program (HOME) | \$30,973,276 ³ |
| Emergency Solutions Grants (FESG) | \$12,315,080 |
| Housing Opportunities for Persons with AIDS (HOPWA) | \$3,854,164 ⁴ |
| Lead Based Paint Hazard Control Program (LHCP) | \$2,300,000 ⁵ |
| Total (including estimates for DRI and DREF) | \$87,088,060 |

¹ Original DRI Local Assistance allocation in 2010 was \$37,895,830. Remainder available for 2012-13 is approximately \$6,741,871

² Original DREF allocation was "up to \$15,000,000." Remainder available for 2012-13 is approximately \$2,749,184.

³ Includes only the State HOME program's 2012 allocation from HUD. Does not include any other fund source, including disencumbered funds or funds that may be committed from the anticipated 2013 allocation.

⁴ The HOPWA figure includes the State of California FY 2012-13 allocation (\$2,696,922) plus the Bakersfield (\$384,879) and Fresno (\$358,363) EMSA allocations and unspent funds from prior year (\$414,000).

⁵ In March 2012 HUD announced an award of \$2.3 million to CSD for a new 36-month LHCP program (Round 18).

Other Resources

In addition to funds available through the HUD programs outlined above, several State funding sources are commonly used in combination with these federal funds.

Tax Credits

Federal and State low-income housing tax credits are administered competitively on a statewide basis by the Tax Credit Allocation Committee (TCAC) in the State Treasurer's Office. In calendar year 2011 TCAC awarded nearly \$83.7 million in competitive annual nine-percent federal credits to 105 proposed housing projects, along with \$86.9 million in State credits. These projects will include 6,026 low-income housing units. More than \$7.4 million in federal four-percent tax credits, and \$23.8 million in State credits, went to 16 projects expected to provide 1,134 low-income units, and another \$75.6 million in four-percent credits, plus tax-exempt bond financing, went to 109 projects with 9,340 low-income units. A federal tax credit is in effect for ten years, which means the eventual total value of federal credits awarded in California in 2011 is \$1.66 billion. The \$110.7 million total for State tax credits covers a four-year period of effect.

State Bond-Funded Programs

The Department of Housing and Community Development (HCD) currently administers approximately 20 programs (depending on how interrelated and follow-on programs are counted) that award loans and grants to hundreds of local public agencies, private for- and non-profit housing developers and service providers every year for the construction,

acquisition, rehabilitation and preservation of affordable rental and ownership housing, homeless shelters, transitional housing and infrastructure.

For many years, the most important source of funds for HCD's financial assistance programs has been California General Obligation (GO) bond proceeds, including **Proposition 46** and **Proposition 1C** programs that were approved by California voters in 2002 and 2006, respectively. In FY 2010-11, \$241.2 million of HCD's total of \$447.7 million in awards (54 percent) came from Propositions 46 and 1C.

Proposition 46 Nears Conclusion

By June 30, 2011, HOD had invested more than \$1.5 billion in Proposition 46 bond funds to build, rehabilitate, preserve or facilitate with incentives approximately 86,000 affordable housing units, including 10,500 shelter and dormitory beds. Most Proposition 46 funds have been expended. Less than four percent of HOD's 2010-11 awards came from this source. Approximately \$100 million remains, spread across several programs, or about five percent of the \$2.1 billion originally authorized in 2002. Proposition 46 has extended beyond its originally expected lifetime due to the recession-caused slowdown in housing construction in 2008-10 and to the occasional recapture of previously awarded funds from projects that have not proceeded as planned.

Proposition 1C

Proposition 1 C (approved by voters in November 2006) was HCD's largest source of housing assistance funds in 2010-11, accounting for \$225.6 million, or half of total awards. As of June 30, 2011, HCD has invested nearly \$1.9 billion in Proposition 1 C funds to build or rehabilitate more than 44,000 affordable housing units. Approximately \$500 million in Proposition 1 funds remains available to HCD.

Cumulative Proposition 46 awards through June 30, 2011 can be seen on HCD's website at http://www.hcd.ca.gov/fa/CBR_Prop46_06-30-11_rev10-7-11.pdf. Cumulative Proposition 1C awards through June 30, 2011 can be seen at: http://www.hcd.ca.gov/fa/CBR_Prop1C_6-30-11_rev1-26-12.pdf.

Priority Housing Needs/ Annual Affordable Housing Goals

The State has several priorities that will be integrated through its housing and community development efforts during 2012-13. These priorities have been developed through the analysis of housing needs and market analysis included in the State's 2010-2015 ConPlan. These priorities and objectives are outlined in the following specific program narratives and will be updated as needed through future APs.

The State has identified all categories of households and housing assistance in the Priority Housing Needs table on the next page as "high priority," in order to give local

grantees flexibility to set their own priorities within this range. The HUD definition of “high priority” is: activities to address this need will be funded during the five-year period covered by the State’s 2010-2015 Consolidated Plan. All the categories in the table are of high priority in some eligible jurisdictions statewide, and all are expected to be funded.

Renters (including the homeless and other special needs groups) generally show a higher incidence of housing deficiencies than homeowners, in both total numbers and the percentage of households experiencing housing problems. Renters have median incomes just over half as high as owners, are predominantly low-income, and represent a majority of low-income households. Renters also have higher rates of overcrowding, higher housing cost burdens, and higher percentages live in substandard housing than owner households. Clearly, there is a priority need to address renter housing problems.

The Priority Housing Needs table below gives estimates of the number of households to be assisted with CDBG, HOME, ESG and HOPWA funds in 2012-13, including non-federal funds used with federal funds. These estimates are based on experience and are subject to later revision for any of several reasons: 1) variations in the activities proposed by eligible applicants and approved by HCD, 2) actual reported accomplishments, including those still to come using grants from previous years, and 3) HUD 2012-13 funding allocations.

The wide variety of housing, community development and supportive service needs among eligible HOME, CDBG and ESG jurisdictions and non-profit entities results in substantial variations in allowable activities from year to year. With the exception of HOPWA, State programs award funds on a competitive basis using a variety of criteria including, but not limited to, applicant capacity and locally identified needs. Consequently, annual goals by activity type cannot be reliably estimated.

This process allows local grantees to determine which allowable activities under each program best address their local needs. Applications received are evaluated based on the needs of the jurisdiction, proposed use of funds and the applicable regulations and rating factors for each program (for more information refer to the Geographic Distribution and Rating Criteria and the program sections of this plan.)

| 2012-13 Priority Housing Needs (Households) | | | | | |
|--|---------------|---------------------|------|--------|--------|
| | | Priority Need Level | | Goals | |
| Renter | Small Related | 0-30% | High | 102 | |
| | | 31-50% | High | 73 | |
| | | 51-80% | High | 32 | |
| | Large Related | 0-30% | High | 65 | |
| | | 31-50% | High | 85 | |
| | | 51-80% | High | 21 | |
| | Elderly | 0-30% | High | 6 | |
| | | 31-50% | High | 15 | |
| | | 51-80% | High | 6 | |
| | All Other | 0-30% | High | 5 | |
| | | 31-50% | High | 6 | |
| | | 51-80% | High | 10 | |
| TOTAL Renters | | | 426 | | |
| Owner | | 0-30% | High | 98 | |
| | | 31-50% | High | 225 | |
| | | 51-80% | High | 291 | |
| | | TOTAL Owners | | | 614 |
| Homeless (Individuals & Families) | | | High | 65,000 | |
| Non-Homeless Special Needs Populations* | | 0-80% | High | 1,302 | |
| TOTAL Homeless and Special Needs | | | | | 66,302 |
| TOTAL 215 Goals** | | | | | 542 |

* Persons living with HIV/AIDS

** HOME funded projects must meet the Section 215 qualification as affordable housing for both rental and ownership units. HOME estimates are based on previous year estimates, with adjustments due to reduced funding levels for 2012-13.

The wide variety of housing, community development and supportive service needs among eligible HOME, CDBG and ESG jurisdictions plus eligible non-profit entities results in substantial variation in allowable activities from year to year. With the exception of HOPWA, State programs award funds on a competitive basis using a variety of criteria including, but not limited to, applicant capacity and locally identified needs. Consequently, annual goals by activity type cannot be reliably estimated.

This process allows local grantees to determine which of the allowable activities under each program best address their local needs. Applications received are evaluated based on the needs of the jurisdiction, proposed use of funds and the applicable regulations and rating factors for each program (for more information refer to the Geographic Distribution and Rating Criteria and the program sections of this plan.

Anticipated Schedule

| 2012-13 Anticipated Schedule of Program Application and Award Processes | | | | |
|---|-----------|--------------------------------|---------------------------------------|-------------------------------|
| NOFA | Workshops | Application Deadline(s) | Awards | Contracts |
| CDBG | | | | |
| General Allocation | | | | |
| 1/7/13* | TBD | 4/5/13 | 7/31/13 | 45-60 days after award letter |
| Native American/Colonias Allocation | | | | |
| 1/7/13* | TBD | 4/5/13 | 7/31/13 | 45-60 days after award letter |
| ED Enterprise Fund | | | | |
| 1/7/13* | TBD | 4/5/13 | 7/31/13 | 45-60 days after award letter |
| ED Over-the-Counter | | | | |
| 1/7/13* | TBD | Open | Ongoing | 45-60 days after award letter |
| Planning and Technical Assistance | | | | |
| 1/7/13* | TBD | 4/5/13 | 7/31/13 | 45-60 days after award letter |
| Disaster Recovery Initiative (DRI) / Disaster Recovery Enhancement Fund (DREF) | | | | |
| ongoing | completed | open | ongoing | 45-60 days after award letter |
| Emergency Solutions Grants (ESG) | | | | |
| 7/2012 | 8/2012 | 8/2012 | 9/30/2012 | 10/1/2012 |
| HOME | | | | |
| 6/1/12 | 6/12 | 8/15/12- Programs and Projects | 12/12 -- Programs 2/13 -- Projects | 45-60 days after award letter |
| HOPWA | | | | |
| N/A | N/A | 5/12 | 6/12 | 7/12 |
| LHCP | | | | |
| 11/29/11 | TBD | 1/18/12 | TBD | 45-60 days after award letter |

* Dates are subject to approval of a revised method of distribution to be determined in early 2012. HCD is discussing options with customers and reviewing statutes and regulations.

Geographic Distribution and Rating Criteria

Changes in eligible jurisdictions may occur annually if jurisdictions join or withdraw from a CDBG Urban County Agreement or **HOME** Consortium within a county and the listing of eligible jurisdictions by program is therefore updated annually when new data comes from HUD. Additionally, changes in eligible jurisdictions for **HOPWA** may occur if a metropolitan area reaches a population of more than 500,000 and has at least 1,500 cumulative AIDS cases. Listings of current eligible jurisdictions are included as Appendices A and B.

HOPWA funding is allocated to all non-Eligible Metropolitan Statistical Areas (EMSAs) of California, based on a formula which includes reported HIV and AIDS cases by county. Funds are allocated to a selected project sponsor for a designated county or counties.

The **ESG** Program allocates available funds to the following categories: Northern California, Southern California, rural (non-urban) counties, General category, and New Programs. The intent is to achieve an equitable distribution for the balance of state activities.

Programs, however, provide additional rating points or have established set-asides for grantees that meet specified State objectives including but not limited to rural communities, low-income areas and targeted populations. For example, the **HOME** Program provides points for applicants from rural areas, and may award points for activities in documented areas of need based on Census factors such as poverty level, housing overpayment by low-income households, vacancy rates and overcrowding. **HOME** also may offer application bonus points to promote a geographic balance in the distribution of its funds.

For CDBG, with the program's eligible jurisdictions being divided into Entitlement and Non-Entitlement (the State CDBG program funds only Non-Entitlement jurisdictions, and non-federally recognized Indian tribes in nonentitlement areas when eligible units of general local government apply on their behalf), HCD's distribution of its allocation is limited to small, rural communities. Changes in HCD's method of distribution in 2012 put greater emphasis on a jurisdiction's poverty score and low/moderate income data, per the requirement that CDBG funds be applied in areas of "greatest need."

Homeless and Other Special Needs Activities

An important part of promoting suitable living conditions for those with special needs is the provision of appropriate supportive services. California has an extensive system of social service organizations that provide institutional care, client-based community or residential services, and housing-based supportive services, including significant mainstream programs and services to prevent homelessness.

HCD Programs: EHAP-CD and ESG

The Department's Emergency Housing Assistance Capital Development Program (**EHAP-CD**), funded through the passage of Proposition 46 and Proposition 1C, is the State's leading source of funds for capital development activities for homeless shelters. To date,

EHAP-CD has provided more than \$211 million to 309 local governments and non-profit organizations to preserve or create a total of 13,588 shelter spaces and transitional housing units.

The Department, through HUD formula grants under McKinney-Vento, administers the Emergency Solutions Grants (**ESG**) program by providing operating grants to non-entitlement cities and counties and non-profit organizations for services to the homeless and those at risk of becoming homeless

The State provides other funding for homeless services under various programs including, for example, workforce development, temporary assistance to needy families (TANF), supplemental security income (SSI), veteran services, unemployment compensation, workers compensation, foster care, and affordable rental housing. Some programs, such as the TANF Homeless Assistance Program (HA), provide assistance to those at imminent risk of becoming homeless. TANF HA also provides non-recurring cash assistance to families who are already homeless. HCD continues to assist homeless persons by funding activities of service and housing providers to promote self-sufficiency and provide transitional and permanent housing, and through its collaborative efforts with other State agencies and departments.

PATH

The State also receives formula grants under the McKinney Projects for Assistance in Transition from Homelessness (**PATH**) Program, administered by the Department of Mental Health (DMH), and provides funding for housing and supportive services in residential settings. HCD continues to work with DMH to develop policy and program guidelines to promote collaborative efforts in the area of supportive housing, including participation on the Supportive Services Council and Mental Health Planning Council.

The Department and DMH jointly manage the California Statewide Supportive Housing Initiative Act (SHIA), created in 1998 to develop affordable housing linked to supportive services in mental health, substance addiction, employment training, and other topics.

The intent of this act is to provide incentives and leverage to local governments and the nonprofit and private sectors to invest resources that expand and strengthen supportive housing opportunities.

Governor's Homeless Initiative (GHI)

On August 31, 2005, Governor Schwarzenegger announced an initiative to end long-term homelessness in California by providing integrated permanent housing and services to the long-term homeless in partnership with local governments and the private sector by leveraging State funds for mental health services and housing available through Propositions 46, 1C and 63 (the Mental Health Services Act). The Governor directed HCD, the California Housing Finance Agency (CalHFA), and the Department of Mental Health (DMH) to develop an integrated joint funding package to finance permanent supportive housing for chronically homeless persons with severe mental illness. Residents of this housing receive supportive services from county mental health departments, using Mental Health Services Act (MHSA) funds.

Since a NOFA was issued on November 15, 2005, the GHI has awarded more than \$36 million to assist the development of twelve permanent supportive housing projects for chronically homeless persons with severe mental illness. These developments will provide 420 new and rehabilitated affordable housing units, including 297 units with social services. This effort directly contributes to the GICH's goal of ending long-term homelessness. Also during this five-year period HCD's Federal Emergency Shelter Grant program (FESG), Emergency Housing and Assistance Program (EHAP) and EHAP Capital Development component (EHAPCD) have awarded more than \$161 million to build, rehabilitate, operate and provide social services for homeless shelters and transitional housing developments throughout the state.

Federal and State Interagency Councils on Homelessness

In February 2011, HCD recommended to the Governor's Office that the Administration should designate a lead agency to serve as the State's liaison with the U.S. Interagency Council on Homelessness, and HCD was designated as California's liaison to the federal Council. In October 2011, HCD and CalHFA also recommended that the state Interagency Council be established by a current Executive Order.

The original State council, known as the Governor's Inter-Agency Council on Homelessness, was comprised of public, private and non-profit entities committed to ending long-term homelessness, ensuring coordination of efforts, and maximizing the use of resources. It was never abolished, but has not met for some time. Many member departments have continued to coordinate on homeless issues and programs. If the Council is reactivated or newly established by Executive Order it could bring State and federal agencies and departments together on a more regular basis, and include local social service, health, law enforcement and other local agencies, local elected officials, non-governmental providers of services to the homeless, homeless advocates and the philanthropic community. This broader participation could better address the needs of the homeless.

HIV/AIDS and HOPWA

CDPH-Office of AIDS (OA) is the State agency that administers statewide programs and activities that pertain to HIV/AIDS. CDPH-OA emphasizes the integration of representatives of HIV/AIDS service agencies, other State departments (such as Corrections, Housing, Rehabilitation, Mental Health, Developmental Services and Alcohol and Drug Programs), local health departments, University-wide AIDS Research Program (University of California San Francisco), and others in information gathering, research and decision-making processes. The ad hoc Interagency AIDS Coordinating Council includes numerous State departments in the review of AIDS service delivery and prevention/education efforts.

The HOPWA Program is based within CDPH-OA to ensure that all HIV/AIDS service programs, including housing assistance, are coordinated at the State and local levels.

State Housing Element Law

Changes to State housing element law (Chapter 633, Statutes 2007) clarify and strengthen this law to promote certainty in zoning and approvals for emergency shelters and transitional and supportive housing. Generally, Chapter 633 amends housing

element law in terms of planning (Government Code Section 65583) and approval (Government Code Section 65589.5) for emergency shelters and transitional and supportive housing as follows:

- At least one zone shall be identified to permit emergency shelters without a conditional use permit or other discretionary action.
- Sufficient capacity must be identified to accommodate the needs for emergency shelters and at least one year-round emergency shelter.
- Existing or proposed permit procedures and development and management standards must be objective and encourage and facilitate the development of or conversion to emergency shelters.
- Written and objective standards may be applied as specified in statute, including maximum number of beds, provision of onsite management, length of stay and security.
- Transitional and supportive housing shall be considered a residential use and only subject to those restrictions that apply to other residential uses of the same type in the same zone.
- Limits denial of emergency shelters, transitional housing or supportive housing by requiring specific findings.
- Some findings shall not be utilized if new planning requirements of Chapter 633 are not met such as identifying a zone without a conditional use permit.

The housing element continues to be a unique and essential tool in planning for the State's special housing needs population as well as broader planning objectives. For example, over 88 percent of the jurisdictions that have adopted housing elements have committed to amend zoning to facilitate the development of emergency shelters consistent with Chapter 633, Statutes of 2007. Most zoning is anticipated to be amended by the end of 2012. In addition, most of these zoning amendments will permit transitional and supportive housing as a residential use, and thereby reduce regulatory barriers to their development. As a result, Chapter 633 and housing element updates will create tremendous opportunities to address homeless needs and housing for persons with disabilities.

Further, the housing element has served as a vehicle for extensive additional commitment to update zoning codes and establish procedures to better address the housing needs of persons with disabilities pursuant to the Americans with Disabilities Act (ADA). These commitments range from ensuring that local zoning reflects and accommodates a range of family types to adopting reasonable accommodation procedures to provide zoning exceptions for persons with disabilities.

Chapter 507, Statutes of 2010 (SB 812), which took effect in January 2011, amended housing element law to require the analysis of the housing needs of the disabled, including an evaluation of the special housing needs of persons with developmental disabilities, the number of persons with developmental disabilities, and a discussion of resources.

According to Section 4512 of the Welfare and Institutions Code, "developmental disability" means a disability that originates before an individual attains 18 years of age, continues or can be expected to continue indefinitely, and constitutes a substantial disability for that individual. This includes mental retardation, cerebral

palsy, epilepsy, and autism. Currently the US Census does not have specific information regarding persons with developmental disabilities. However, each non-profit regional center contracted with the California Department of Developmental Services (DDS) maintains an accounting of the number of persons served by zip code or city. This information can be used to estimate the number of persons residing in the jurisdiction which have developmental disabilities.

The development of affordable and accessible homes is critical to expand opportunities for persons with developmental disabilities to live in integrated community settings. One of the biggest obstacles to living independently is a lack of financial resources. Income is often limited and affordable rental housing is crucial to the long term stability of the individual. In addition, access to various supportive living services is critical.

In accordance with Government Code Section 65583(e), any draft housing element submitted to HCD after March 31, 2011 is required to comply with SB 812. A copy of the legislation can be found on the Department's website at www.hcd.ca.gov, or on the Legislative Counsel's website at http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0801-0850/sb_812_bill_20100929_chaptered.pdf. There is more about how to address special housing needs in a housing element on the Department's *Building Blocks for Effective Housing Elements* webpage at: http://www.hcd.ca.gov/hpd/housing_element2/HN_SHN_home.php

Strategies to Overcome Barriers to Affordable Housing

To maintain compliance with applicable HUD regulations and as a requirement of receiving federal funds, the Department conducts the Analysis of Impediments to Fair Housing Choice (AI) to describe California's existing fair housing conditions and implementation strategies for addressing the identified needs using State, local, private, and federal resources.

In the Fall of 2010 the Department signed a letter of special assurances with HUD committing the Department to conduct a complete updated analysis of impediments to fair housing choice (AI). As part of this effort, Department staff met with community organizations and local advocates to define the scope of work, identify potential impediments that will be analyzed and discuss efforts to address fair housing concerns.

The AI will examine and assess major demographic conditions and trends that may influence the State's Fair Housing Objectives, and will be used to develop recommendations relevant to government, the private sector and other interested stakeholders.

Specifically, demographic information collected and analyzed on a statewide and regional basis will include population, economic data, geographic distribution of households occupied by members of a protected class (e.g., race, color, religion, sex, national origin, familial status, disability), and income level wherever available, and projected housing need by protected class, number of units and households, vacancy, overpayment, and special needs populations.

The analysis will incorporate existing conditions, statewide efforts to address fair housing issues and enforcement, an overview of State agencies and departments involved in

implementing State housing law, fair housing law and aspects of fair housing practices in finance programs, and identification of State Department of Fair Employment and Housing (DFEH) housing complaints. The AI will analyze the siting of CDBG- and HOME-funded housing developments, particularly in areas of minority and lower-income over-concentration, and the potential impacts of this siting on providing fair housing choice.

In order to identify disparities in the distribution of federal funds, the updated AI will also include data for a five-year period on which jurisdictions were eligible, which ones applied, which were funded or not, what activities they applied for and how much money was applied for and received by type of housing activity. The analysis will identify funding and other trends, including housing element compliance rates, relative to success in receiving State CDBG or HOME dollars. Eligible jurisdictions have also been surveyed for information on their current fair housing practices and constraints in order to identify potential impediments to fair housing choice.

The Department anticipates that a draft AI will be available for public review and comment by June, 2012. Due to the length of this AI, HCD intends to hold an extended public review period, with public hearings covering specific sections of the draft AI in order to engage interested parties in a dialogue on the identified impediments and proposed actions to address those impediments.

Other Actions

California posted the nation's second highest state foreclosure rate in January 2012, with one in every 265 housing units with a foreclosure filing (improved from one in every 239 in February 2011), according to a February 16, 2012 market report from RealtyTrac. "With 51,584 properties with a foreclosure filing [down from 56,229 in February, 2011], nine California metro areas posted foreclosure rates in the top ten, led by Stockton at No. 1, with one in every 140 housing units with a foreclosure filing, and Modesto at No. 2, with one in every 143 housing units with a foreclosure filing. Also in the top 10 were Riverside-San Bernardino-Ontario at No. 3 (one in 164 housing units); and Vallejo-Fairfield at No. 4 (one in 168 housing units)."

To address the growing foreclosure problem, the State launched a public awareness campaign to educate homeowners about options that can help them avoid losing their homes to foreclosure. The \$1.2 million campaign, funded through existing consumer education efforts within the Business, Transportation and Housing Agency and the State and Consumer Services Agency, does the following:

- informs borrowers about their options;
- urges borrowers to work with lenders before foreclosure;
- encourages the use of nonprofit housing counselors; and
- partners with local leaders and trusted organizations, like churches and community groups, to further the goals of the campaign.

The following resources are also available to homeowners:

- The "HOPE Hotline" (1-888-995-HOPE or <http://www.995hope.org>), provides free mortgage counseling 24 hours a day, seven days a week.
- A website with helpful information for prospective homebuyers, as well as homeowners who are experiencing difficulty in keeping payments current: <http://www.yourhome.ca.gov/> and the Spanish language version: <http://www.sucasa.ca.gov/>.

Keep Your Home California Programs

The California Housing Finance Agency in early 2011 launched the Keep Your Home California programs, to provide nearly \$2 billion in federal funding to avoid foreclosure for approximately 95,000 borrowers and provide relocation assistance for another 6,500 people who lose their homes.

Primary objectives for the Keep Your Home California programs include:

- Preserving homeownership for low and moderate income homeowners in California by reducing the number of delinquencies and preventing avoidable foreclosures
- Assisting in the stabilization of California communities

Each of the Keep Your Home California programs is designed to address one or more aspects of the current housing crisis by doing the following:

- Helping [low and moderate income](#) homeowners retain their homes if they either have suffered a financial hardship such as unemployment, have experienced a change in household circumstance such as death, illness or disability, or are subject to a recent or upcoming increase in their monthly mortgage payment and are at risk of default because of this economic hardship when coupled with a severe decline in their home's value.
- Creating a simple, effective way to get federal funds to assist low and moderate income homeowners who meet one or all of the objective criteria described above. Speed of delivery will be balanced with fulfillment of the specific program's mission and purpose.
- Creating programs that have an immediate, direct economic and social impact on [low and moderate income](#) homeowners and their neighborhoods.

Under recent U.S. Treasury-approved program changes in these programs, California homeowners who, through refinancing or home equity lines of credit accessed the equity in their homes, could now be eligible to receive assistance for the following programs: Unemployment Mortgage Assistance, Mortgage Reinstatement Assistance and Transition Assistance. These same programs have also been expanded to include mortgages that were originated after January 1, 2009. (Homeowners who were previously disqualified for one of these reasons are being contacted and offered an opportunity to reapply. Those homeowners are also welcome to contact the Keep Your Home California call center at 888.954.5337.)

In total, the Keep Your Home California web site has been visited over 40,000 times, 17,936 unique borrower applicants entered the KYHC-HHF system during the year, and

more than 3,500 California homeowners are of receiving help through one of the programs.

All of the programs are designed specifically for low or moderate income homeowners who are either unemployed or are facing another financial hardship, have fallen behind on their mortgages and owe significantly more than the value of their homes.

Specifically, the Keep Your Home California programs with expanded eligibility are:

- Mortgage assistance of up to \$3,000 per month for unemployed homeowners who are in imminent danger of defaulting on their home loans.
- Funds to help homeowners who have fallen behind on their mortgage payments due to a documented financial hardship. The program will provide up to \$15,000 per household to reinstate mortgages to prevent foreclosures.
- Funds for relocation assistance for homeowners who have concluded that they don't have the resources to remain in their homes and have initiated a short sale or deed-in-lieu of foreclosure.

A full description of the programs can be found at www.KeepYourHomeCalifornia.org

Finally, HCD will continue to participate in meetings with other State departments, professional associations, including the Council of State Community Agencies, the California Rural Housing Coalition, the National Association of Housing and Redevelopment Officials, the Association of California Redevelopment Agencies, the California Association for Micro-Enterprise Opportunity, the California Association for Local Economic Development and a host of other organizations that have an interest in the State's implementation of HUD-funded programs. These efforts facilitate discussion of potential program commonalities, maximize resources, integrate eligibility requirements where possible, share "best practices" and promote collaboration efforts at the local level.

Community Development Block Grant (CDBG)

Funds Available and Fund Allocations

The State of California's 2012-13 CDBG allocation from HUD is anticipated to be approximately \$28,154,485. After removing allowable administration costs, the total amount available for Local Assistance is estimated to be \$26,999,852. However, as it did in PY 2011-2012, in 2012-2013 the Department will make available 150% of its two year estimated allocation, so as to improve the expenditure rate and maximize the time the Department and its grantees have to expend the funding. This expedited awarding cycle will allow HCD in PY 2013-2014 to award 100% of the estimated allocation for PY 2014-2015.

Thus, for 2012-2013, the State will award 50% of the 2012-2013 allocation and all of the 2014 allocation, to make available approximately \$41,197,906 for Local Assistance in this funding round. The Department will also make available funding from disencumbrances and funds returned to the State.

HCD continues to administer the 2009 Disaster Recovery Initiative (DRI) and the Disaster Recovery Enhancement Fund (DREF). Currently there is approximately \$6,741,871 in remaining DRI funds and \$2,749,184 in DREF funds available for 2012-13.

CDBG funds are allocated by program area as listed here, and as shown on the allocation chart later in this chapter. The chart shows the Local Assistance total (estimated at \$41,197,906) to be allocated to program areas after removing allowable State administration costs (3.7 percent). The program areas are:

Economic Development (ED)

California Health and Safety Code 50827 and Title 25 of the California Code of Regulations (CCR) Section 7062.1 require the Department to set aside 30 percent of the annual federal CDBG award for ED activities. This set-aside is expected to be \$12,892,315 for 2012-13. The split between the Enterprise Fund (EF) and the Over-The-Counter (OTC) Allocation will be approximately 70% / 30% respectively.

Community Development (CD)

The CD Allocation is the balance of funds remaining after subtracting the different allocations (Economic Development, PTA, Native American, and Colonia) and allowed State administration costs from HUD's annual allocation. For 2012-13 this is estimated to be \$25,619,693.

Colonia

Section 916 of the National Affordable Housing Act of 1990, as amended, established an annual set-aside for activities benefiting Colonia residents. In accordance with direction from HUD, the State will set aside 5 percent of the allocation: an estimated \$2,148,719 for Colonia activities in 2012-13.

Native American

Pursuant to Health & Safety Code Section 50831 and Title 25 CCR 7062, the State annually sets aside 1.25 percent of its CDBG award for grants to non-federally recognized tribes and Rancherias in nonentitlement areas. This is expected to be approximately \$985,202 for 2012-13.

Match: The State program will satisfy the federal 2 percent match requirement by using the State General Fund.

2012-2013 Goals and Objectives

The primary 2012-2013 objectives of the HCD CDBG program are:

- 1) Improve life in California cities and counties by helping to provide decent housing, a suitable living environment, and expansion of economic opportunities primarily for low and moderate income populations.
- 2) Make grants available to eligible jurisdictions where at least 51 percent of program funds will provide or improve housing opportunities for low and moderate income groups, or toward activities directly related to the provision or improvement of housing opportunities for low and moderate income groups. This may include, but is not limited to, the construction of infrastructure (CCR 7052).
- 3) Reduce CDBG funds held unexpended by grantees to the HUD recommended maximum of two times the annual grant amount.

To achieve the primary objectives, staff and management have set the following program goals for 2012-13:

1. Increase the State expenditure rate by implementing the Department's updated Method of Distribution, which includes one annual NOFA for all allocated funds; mitigate the necessary eight-month period between NOFA and contracts by awarding 150% of the State's CDBG allocation in 2011-2012 and 2012-2013, so that in 2013-2014 100% of 2014-2015 funds will be awarded; implement the 50% Rule in the Program's updated State Regulations; and streamline staffing assignments to each jurisdiction so that timely expenditure of funds by grantees can be better tracked across all CDBG activities.
2. Consider improvements to the Economic Development allocation to address customer-identified problems such as: underwriting review, contract length, and complexity of the Over the Counter process.
3. Continue the new CDBG Monitoring Unit with increased staffing for increased monitoring and technical assistance through more site visits, to improve compliance with federal overlay requirements and maximize the use of all CDBG resources.
4. Review and classify CDBG regulations for a possible second phase of improvements in administrative procedures. Further changes may help continue improving program performance.

5. Continue to review and streamline internal processes, including rating and ranking, to ensure a competitive advantage for jurisdictions with demonstrated need, capacity, and a high level of readiness to perform. Continue increasing the visibility and transparency of the HCD competitive application scoring process.
6. Continue to review and revise State Program Income rules to ensure Department oversight and jurisdictional compliance, and provide additional technical assistance to jurisdictions on the topic.
7. Continue to analyze the rating system introduced with the new Method of Distribution and make changes if necessary to ensure, as much as possible, a level playing field for all eligible activities.
8. Consider ways to strengthen oversight and monitoring systems with regard to fair housing impediments.
9. Continue to discuss appropriate criteria for State Objective points in future NOFAs.

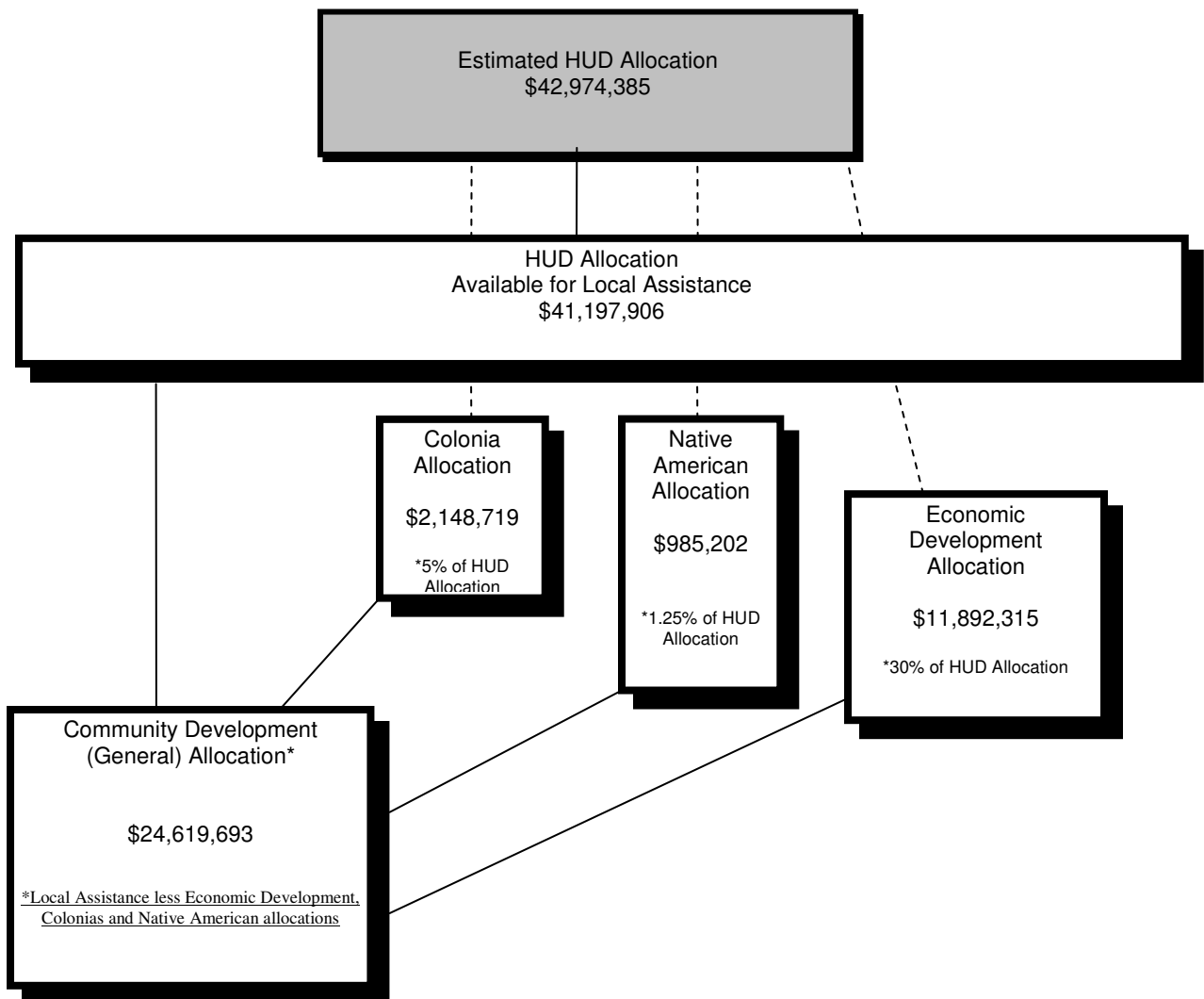
Eligible Jurisdictions

The CDBG Program anticipates that approximately 167 eligible jurisdictions may qualify to participate during 2012-13, as well as two Native American Tribes eligible to apply for DRI/DREF funding.

The 167 eligible jurisdictions include incorporated cities under 50,000 population and counties with an unincorporated area population of fewer than 200,000 persons. Eligible cities and counties may apply for CDBG funding under the programs operated by the State. The only exceptions are: 1) cities under 50,000 population that have entered into three-year urban county Cooperation Agreements with HUD and, 2) any city under 50,000 in population declared a central city of a Standard Metropolitan Statistical Area. Both exceptions may receive CDBG funds directly from HUD as Entitlement Jurisdictions.

Many eligible jurisdictions are concentrated in central and northern California primarily because they are located in rural areas. Most cities in urban areas participate as Entitlement Jurisdictions. HCD-eligible jurisdictions range in population from cities with fewer than 500 people to counties with unincorporated area populations of more than 170,000. Information on eligible jurisdictions is included in the appendices.

State of California Estimated CDBG Program, 2012-13 Allocation



Method of Distribution

Community and economic development needs vary widely across the state. The extreme diversity in infrastructure, housing, public facilities, and the population itself mean the need for community and economic development funding is high. Facing limited resources compared to needs, the Department has developed a new method to better establish and address priority needs and distribute CDBG program funds to the most needy eligible jurisdictions during 2012-13.

Beginning in 2011-2012, HCD updated its Method of Distribution by implementing an annual schedule for funding. HCD will release a Notice of Funding Availability (NOFA) annually in the second week of January, distribute award letters by late July, and distribute contracts to grantees for signature by late September. The NOFA will announce all funding maximums, activity maximums and final scoring criteria. All activities awarded each year, other than the Economic Development Over-the-Counter component (ED OTC), will be included in one contract.

The ED OTC component will also be announced in the NOFA, with open and close dates. However, awards for this component will entail separate contracts given the size, scope, and open application process for these projects.

CDBG Program Categories

The categories for local community development are housing, public facilities, public improvements, public services and planning. For Economic Development (ED), there are the Enterprise Fund for business assistance or microenterprise activities, and for larger economic development projects, the Over-the-Counter (OTC) application process. Eligible activities with CDBG funds include acquiring real property; rehabilitating residential and nonresidential properties (including special facilities for persons with disabilities); constructing new, affordable housing (as "housing of last resort" only); providing public facilities and improvements such as water, sewer or solid waste facilities, or senior citizen centers; providing public services such as child care programs, senior programs and food banks; and assisting for-profit businesses to promote economic development activities that will result in creation or retention of jobs.

State Health and Safety Code Section 50828 requires that not less than fifty-one percent (51%) of all CDBG funds be made available for the improvement of housing opportunities for low or moderate income families and persons, including but not limited to the construction of infrastructure.

- **Economic Development**: Health and Safety Code 50827 stipulates that thirty percent (30%) of all CDBG funds must be made available for Economic Development activities. California's CDBG Economic Development Program is designed to stimulate economic development activity by assisting the private sector in order to create or retain jobs for low- and moderate-income persons. CDBG funds are intended to be used in situations where a funding gap exists or alternative sources of public and private financing are not adequate. These funds are intended to complement conventional business financing and that of other federal programs such as the U.S. Department of Commerce Economic Development Administration (EDA) and U.S. Small Business Administration (SBA).

The CDBG Economic Development Program provides grants to local governments to assist businesses by making appropriate long-term, fixed-rate financing available to them at reasonable interest rates with flexible terms. Typical eligible activities include: land acquisition; public facilities, infrastructure (water and sewer lines, sidewalks, access roads, etc.), and other improvements in support of economic development; loans to acquire, construct, rehabilitate, or install commercial and industrial buildings and facilities; or for working capital.

California offers these grants under two allocations:

Enterprise Fund

This allocation is comprised of two different programs: 1) business financial assistance program; and 2) microenterprise (technical assistance, financial assistance, and support services) program. Under the former, grantees make commercial loans to eligible businesses to accommodate expansion or retention projects which create or retain jobs and jobs for low income persons. Microenterprise programs provide technical assistance, financial assistance and support services to eligible micro businesses (where the owners are low income and the business has five or fewer employees, including the owners).

Over The Counter

This allocation funds commercial projects which meet CDBG requirements and applicable underwriting standards. Department staff will co-underwrite the project with the grantee, grantee underwriter and the business. Eligible activities can be: offsite public infrastructure; purchase of real property; new construction or rehabilitation of existing buildings; onsite improvements on private property for business; tenant commercial improvements; furniture fixtures and equipment (FF&E); operating costs and inventory. Like business assistance program projects, the OTC project must meet all CDBG requirements as well as commercial and HUD underwriting standards. OTC projects above a \$500,000 loan amount are presented to the Economic Development Advisory Committee (EDAC) for recommendation to the HCD Director. The minimum OTC loan amount is \$300,000.

As noted above, the State will include the Enterprise Fund allocation in the annual NOFA each January. The ED OTC allocation will also be in the annual NOFA, and will be open for applications for 15 months after release of the NOFA.

Section 108 Loan Guarantees

California Code of Regulations Section 7062.3 authorizes the State to participate in federal Section 108 Loan Guarantees. The Department is currently reviewing its options to provide this program for large-scale economic development projects. Since the program provides for application review on an over-the-counter basis, interested parties are advised to contact their HCD Economic Development Representative for more information.

- **Community Development (CD) Allocation:** States may fund up to 65 different activities under this component, including housing rehabilitation, homeownership assistance, public facilities, public improvements, public services, and new housing

construction in very limited circumstances. The Department will include all Community Development activities in the annual NOFA in January.

Housing

CDBG housing assistance may consist of one or more activities designed to address the affordable housing needs of low and moderate income households. The principle activities within a grantee's housing assistance program or project must clearly address needs appropriate to the category and be pertinent to a national or state objective of the CDBG program.

CDBG funds are often used to make low or no-interest loans or grants to low- and moderate-income families to rehabilitate homes in substandard condition. CDBG rehabilitation projects focus on bringing housing up to basic code standards by addressing structural deficiencies, improving electrical systems, and addressing issues related to asbestos and lead-based paint. Grantees are also encouraged to use CDBG funds for energy conservation for housing owned or occupied by low- or moderate-income households.

CDBG funds can also be used to expand homeownership opportunities for low- and moderate-income persons by paying closing costs, providing up to 50% of any down payment required, subsidizing interest rates, and financing the acquisition of housing. Local programs can undertake site improvements on public land or land owned by a nonprofit organization that will be used for new housing or to convert an existing non-residential structure (such as a former hospital) to residential use.

Public Facilities and Public Improvements

CDBG public facility and public improvement projects may consist of one or more activities to resolve a community development need associated with the reconstruction or substantial renovation of an existing public facility or infrastructure system, or to construct a new public facility or infrastructure system. The principle activities must clearly be designed to address needs appropriate to the category and be pertinent to a national objective of the CDBG program.

Public facility and public improvement activities can also help general-purpose local governments to upgrade, construct or rehabilitate facilities designed for use predominately by persons of low- or moderate-income, such as senior citizen centers, Head Start centers, health centers, cooling centers, fire stations, water and sewer systems, or curbs, gutters and street lights. Activities may also include direct assistance to low- and moderate-income families to pay special assessments (Note: this activity should be discussed with HCD before undertaking) or pay for "laterals" from public improvements, such as connection to public water and sewer systems. Laterals, however, are limited to Low Mod households in conjunction with a housing rehabilitation program

Construction of transitional (temporary) or short-term housing is eligible under the public facilities category, rather than under the housing category. Short-term residential facilities include homeless shelters and shelters or centers for abused or runaway youth and victims of domestic violence, including transitional housing. The change of category from housing to public facilities, beginning in 2008, was

primarily due to the unique services typically provided with short-term housing. Short-term residential facilities typically have specific requirements and provide unique services that differentiate them from homeowner rehabilitation, multi-family construction, or first-time homebuyer assistance. The clientele served by short-term residential facilities must typically meet very specific criteria and follow specific treatment programs. Project focus is therefore on the public services rather than the housing.

Public Services

In addition to the services noted above, CDBG regulations allow the use of grant funds for a wide range of public service activities, including, but not limited to:

Employment services (e.g., job training); crime prevention and public safety; childcare; health services; substance abuse services (e.g., counseling and treatment); fair housing counseling; education programs; energy conservation; services for senior citizens; services for homeless persons; services to seniors; and recreational services.

CDBG funds may pay for labor, supplies, and material as well as to operate and/or maintain the portion of a facility in which the public service is located. This includes the lease of a facility, equipment, and other property needed for the public service.

To utilize CDBG funds for a public service, the service must be either:

A new service; or

A quantifiable increase in the level of an existing service.

New Construction

New construction is only allowed under the last resort provisions of the Uniform Relocation Act (URA: 24 CFR Part 42, subpart I). This is housing that the grantee has determined must be constructed to provide suitable replacement housing for persons to be displaced by a contemplated CDBG project, subject to the URA, and where the project is prevented from proceeding because the required replacement housing is not otherwise available.

- **PTA:** CDBG plays a unique role in offering planning grants to California's non-entitlement communities. PTA grants assist local governments in a wide variety of long-term planning-related activities, including but not limited to: preparing or updating community growth policies, community needs assessments, capital improvement plans, housing studies, and preliminary architectural or engineering plans related to public facilities and housing.

The Department makes this funding available through the single annual NOFA. Funding decisions are made on a first-come, first-served basis, based on eligibility threshold criteria. If more applications are received at the same time than can be funded, a tie-breaker scoring process, noted below, will determine who will be awarded funding.

- **Native American**: Health and Safety Code 50831 requires that 1.25% of the State's CDBG allocation be set aside for non-federally recognized Native American Tribes. All housing and housing-related activities are eligible. HCD will make this allocation available for competitive award in the annual NOFA.
- **Colonia**: This component provides direct community development benefits to Colonia (or Colonias, depending on the language of the plural form) located in the non-metropolitan international border region. All cities and counties eligible under the State CDBG Program which contain Colonia as defined in Section 916 (e)(1) of the National Affordable Housing Act of 1990 may qualify.

A Colonia is defined as a distressed, community within 150 miles of the California-Mexico border. There are three distinct eligible activities "of greatest need": addressing lack of a potable drinking water system, lack of an adequate sewage system, and lack of decent, safe and sanitary housing. The amount applied for under this allocation does not count against funding or activity limits for the CDBG CD and ED Allocations. The Colonia allocation will be available each January in the annual NOFA.

Funding Structure

Funds will be distributed pursuant to Code of Federal Regulations (CFR) Title 24, Part 570, and the California Code of Regulations, Title 25 Division 1, Chapter 7, Subchapter 2, Sections 7056, 7058, 7060, 7062, 7062.1, 7076, and 7078. The NOFA will include the entire annual HUD CDBG allocation for Community Development (General) activities, Economic Development Enterprise Fund activities, Colonia activities, Native American activities, and Planning and Technical Assistance grants. The NOFA will announce all funding maximums, activity maximums and all scoring criteria. All activities awarded each year in these categories will be included in one contract.

The Over-the-Counter component of the Economic Development allocation (ED OTC) will also be announced in the annual NOFA, with open and close dates. However, awards for this component will have a separate contract given the size and scope of these projects.

CDBG funding will comply with applicable federal and state statutory and regulatory constraints, as noted below:

At least 70% of all CDBG funds shall be awarded to activities to benefit Targeted Income Group households pursuant to 24 CFR 570.484

At least 51% of all CDBG funds shall be awarded to activities providing housing for Targeted Income Group households pursuant to Health and Safety Code 50828, providing or improving housing opportunities for persons and families of low or moderate income or for purposes directly related to the provision or improvement of housing opportunities for persons and families of low or moderate income, including, but not limited to, the construction of infrastructure.

Pursuant to Health and Safety Code Section 50827, thirty percent of total CDBG funds available shall be allocated between three Economic Development activities per Section 7058 of this part:

- 1) Economic Development Enterprise Fund,
- 2) Economic Development Over-the-Counter
- 3) Planning and Technical Assistance

Pursuant to Section 916 of the Housing and Community Development Act of 1990, up to 10% of total CDBG funds available shall be made available for Colonia activities. The State continues to commit to a 5% allocation as approved by HUD.

Pursuant to Health and Safety Code Section 50831, one-and-a quarter percent (1.25%) of total CDBG funds available shall be made available for Native American activities.

Pursuant to federal CDBG regulations, the remainder of total CDBG funds available after subtracting the activities in Section 7076 (c) (d) and, (e) shall be allocated to General activities, as listed below, with the amount available based on the actual application demand expressed as a dollar amount requested in response to the initial NOFA of a funding cycle,

1. Housing activities,
2. Public Facilities
3. Public Improvements
4. Public Services, not to exceed 15% of total amount of CDBG funds available, pursuant to 42 USC 5305 (a) (8).

Funding Sources

In addition to the annual allocation the State receives from HUD, the Department will roll into the amount available for award any **unused, un-awarded, returned, or disencumbered** funds.

Un-awarded funds are funds that the State did not award in the previous funding cycle. It is important to note, however, that just as in PY 2011-2012, in PY 2012-2013, the State intends to award 150% of its expected CDBG allocation from HUD, to allow as much time for jurisdictional expenditure within the contract period as possible.

Returned funds are funds that the jurisdiction returned to the State due to ineligible activity funding.

Disencumbered funds are unused funds that the State recovered from awarded contracts at the end of the contract period.

Other Funding Considerations

Program Income - All program income (PI) generated by CDBG funds shall remain at the local jurisdiction, pursuant to 25 CCR Section 7104, which details the State requirements for program income. PI funds must be tracked and reported as such by the grantees' fiscal staff.

Eligibility Criteria

Under the new Method of Distribution described above, beginning with funding year 2011-2012 California has implemented new criteria for a jurisdiction's eligibility to apply.

Pursuant to 25 CCR, Section 7060, in order to be eligible to apply for funding, an applicant must meet the following requirements at the time of application:

- a) ***City or County must be a Non-Entitlement Jurisdiction or must not currently be party to an Urban County Agreement or participate in or be eligible to participate in the HUD administered CDBG Entitlement Program.***
- b) ***The applicant shall submit all application information required in 25 CCR, Sections, 7062.1, 7070 as applicable for the activities and funding allocations being applied for.***
- c) ***The applicant must demonstrate to the satisfaction of the Department that it complies with the submittal requirements of the OMB A-133 Single Audit Report.***
- d) ***Pursuant to 25 CCR Section 7080, applications must comply with federal CDBG Public Participation regulations.***
- e) ***The application must comply with Health and Safety Code Section 50830, regarding Housing Element law.*** HCD will not reject an application based on the content of the housing element or the Department's findings on adequacy of the element, except as may otherwise be provided in Section 50830. The determination of compliance will be made by the Department's Housing Policy Division (HPD).

In the 2012-2013 funding round, the Department will implement an additional criterion known as the "50% Rule," which states that an applicant with one or more open CDBG grant agreements issued pursuant to the 2012 NOFA or any subsequent NOFAs (other than Stimulus Fund or Recovery Fund NOFAs) for which the expenditure deadline established in the grant agreement(s) has not yet passed, shall be ineligible to apply for any additional CDBG funds unless the applicant has expended at least fifty percent (50%) of all its CDBG funds. This requirement does not apply to ED OTC contracts. Simply put, if a jurisdiction has not yet expended 50% of the CDBG funds awarded through all of its open contracts (other than ED OTC, Stimulus Fund, or Recovery Fund contracts), the jurisdiction is not eligible to apply for more funds.

Application Review & Award Amounts

CDBG funds are awarded by the Department primarily through a competitive process, to non-entitlement local governments which do not receive formula CDBG grants directly from HUD. Applications for Community Development (General), Economic Development Enterprise Fund, Planning and Technical Assistance, Native American and Colonia activities are evaluated according to the criteria designated here and announced in the NOFA and are ranked according to the total points received.

In the event there are insufficient funds for an applicant's whole activity, the applicant may be offered the amount available, provided it is sufficient to complete a reduced activity.

Scoring

All activities applied for will be rated and ranked against like activities. Housing activity applications will only be rated and ranked against other housing applications; Public Facility applications only against other Public Facility applications, and so on.

Points will be awarded in four main categories: Need, Readiness, Jurisdictional Capacity/Past Performance, and State Objective points. Each category will be applied to all activities, although the type and weighting of the criteria within each category may differ for each activity.

More details about scoring are given below, and detailed Scoring Sheets can be found on the California Housing and Community Development Website at:
http://www.hcd.ca.gov/fa/cdbg/funds/docs/NOFAs/APPENDIX_U-ScoringDetails.pdf

Community Development and Economic Development Enterprise Fund

Scoring will break down the application, for all activities except ED OTC, into four main categories:

Need – Activity applications will be evaluated to determine the extent to which the proposed activity meets a need, and the seriousness of the problem or need. Activities that address documented public health and safety hazards, regardless of National Objective, will receive more weight in the scoring process. Benefit to Low- and Moderate-Income persons will also be considered.

Readiness – Activity applications will be scored on the extent to which they are “shovel ready” to implement, with local government approved planning, resolutions, permits, and the like. For projects, this will include evaluation of feasibility in terms of funding-in-place to complete the project, and for ED applications, feasibility in terms of long-term economic viability of the project or business.

Capacity - Activity applications will be scored on the jurisdiction’s capacity to implement the proposed activity, as demonstrated by past performance and experience. This score will be part of a ‘jurisdictional score’ to be applied to each activity in the application.

State Objectives – Beginning with the 2012-2013 funding round, State Objectives will consist of objectives determined to be of increased importance. State Objective points can vary among different activities, so the score will be partly derived from the jurisdiction’s Capacity Building Points scored for unfunded eligible applications from the previous NOFA, and partly from criteria related to each individual activity, such as the applicant’s plan to Affirmatively Further Fair Housing and remove impediments to Fair Housing, or for ED activities, existence of an adverse economic event and/or technical assistance in concert with business assistance loans and microenterprise loans.

The maximum score for all activities is 1000 points.

ECONOMIC DEVELOPMENT – ENTERPRISE FUND

Need/Benefit: (Up to 400 Points) –

Need (up to 350 points out of 400) - includes points for unemployment percentage and market analysis.

Benefit (up to 50 points out of 400) includes points for poverty percentage.

Readiness: (Up to 300 Points) –

Readiness includes points for program description, description of program operators, and program operator status (what their role will be).

Capacity/Performance: (Up to 200 Points) –

Capacity/Performance includes points for past experience in CDBG-eligible activities under CDBG or a comparable federal program, jurisdictional capacity in terms of dedicated resources, reporting timeliness, and cooperation/compliance in clearing audit findings.

State Objectives: (Up to 100 Points)

Beginning with the 2012-2013 round, State Objectives will consist of objectives determined by the State to be of increased importance. These include points for an adverse economic event and for jurisdictions that provide technical assistance in concert with business assistance loans and microenterprise loans.

COMMUNITY DEVELOPMENT – (General)

HOUSING REHAB (HR) and HOMEOWNERSHIP ASSISTANCE (HA)

Need/Benefit: (Up to 400 Points) –

Need (up to 250 points out of 400) includes points for overcrowding (for both HR and HA), home ownership rate for HA, or age of housing for HR.

Benefit (up to 150 points out of 400) includes points for low-mod income percentage (service area only) and poverty percentage (jurisdiction-wide only). The applicant pool will set the range of points for Low-Mod & Poverty.

Readiness: (Up to 300 Points) –

Readiness includes points for activity-specific operator experience, adopted program guidelines, and waiting list of pre-qualified applicants.

Capacity/Performance: (Up to 200 Points) –

Capacity/Performance includes points for past experience in CDBG-eligible activities under CDBG or a comparable federal program, jurisdictional capacity in terms of dedicated resources, reporting timeliness, and cooperation/compliance in clearing audit findings.

State Objectives: (Up to 100 Points) –

Beginning with the 2012-2013 round, State Objectives will consist of objectives determined by the State to be of increased importance. These include points for capacity building, the applicant's plan to Affirmatively Further Fair Housing and remove impediments to Fair Housing, creation of permanent housing for the homeless through multi-family acquisition with or without rehab, low new housing starts, and HA for low/mod buyers of foreclosed/abandoned properties.

MULTI-FAMILY HOUSING ACQUISITION, REHABILITATION OR ACQUISITION AND REHABILITATION

NOTE: Multi-Family Housing projects may not be included in a Housing Combo program. MFH Activities may include no more than one project.

Need/Benefit: (Up to 400 Points) –

Need: (up to 250 points out of 400) includes points for overcrowding and rental vacancy rate.

Benefit: (up to 150 points out of 400) includes points for low-mod income percentage (Cities: jurisdiction-wide only / Counties: jurisdiction or target area) and poverty percentage.

Readiness: (Up to 300 Points) –

Readiness includes points for activity-specific operator experience, all funding in place, and site control.

Capacity/Performance: (Up to 200 Points) –

Capacity/Performance includes points for past experience in CDBG-eligible activities under CDBG or a comparable federal program, jurisdictional capacity in terms of dedicated resources, reporting timeliness, and cooperation/compliance in clearing audit findings.

State Objectives: (Up to 100 Points) -

Beginning with the 2012-2013 funding round, State Objectives will consist of objectives determined by the State to be of increased importance. These include points for capacity building, the applicant's plan to Affirmatively Further Fair Housing and remove any impediments to Fair Housing, creation of permanent housing for the homeless through multi-family acquisition with or without rehab, low new housing starts, and HA for low/mod buyers of foreclosed/abandon properties.

PUBLIC IMPROVEMENTS AND PUBLIC IMPROVEMENTS IN SUPPORT OF HOUSING NEW CONSTRUCTION

Note: Scoring will be on a sliding scale like previous years. Cease & Desist or Boil Water Order gets full points. See "Scoring Guidelines for Public Improvements."

Need/Benefit: (Up to 400 Points) –

Need: up to 250 points out of 400 -

- Public Improvements: includes points for health and safety threat and

- Public Improvements in Support of Housing New Construction: includes conditions of approval for the project, renter overpayment, vacancy rate, overcrowding, and Council Of Governments data (Regional Housing Needs Assessment).

Benefit: (up to 150 points out of 400) –

Note: The applicant pool will set the point range for both low-mod income percentage and poverty percentage.

- Public Improvements: includes points for low-mod income percentage for either the jurisdiction-wide or target area, and poverty percentage jurisdiction-wide.
- Public Improvements in Support of Housing New Construction: includes points for jurisdiction-wide low-mod income percentage and poverty percentage.

Readiness: (Up to 300 Points) –

Readiness includes points for activity-specific operator experience OR experienced in-house staff ready to start the procurement process, project approval obtained, site control, and all funding in place.

Capacity/Performance: (Up to 200 Points) –

Capacity/Performance includes points for past experience in CDBG-eligible activities under CDBG or a comparable federal program, jurisdictional capacity in terms of dedicated resources, reporting timeliness, and cooperation/compliance in clearing audit findings.

State Objectives: (Up to 100 Points) –

Beginning with the 2012-2013 funding round, State Objectives will consist of objectives determined by the State to be of increased importance. These include points for Transit Oriented Development or In-Fill projects, and points for (1) balancing of low-mod percentages between Public Improvements and Public Improvements in Support of Housing New Construction; or (2) points for Public Improvements projects to balance the Need scores of projects without a Cease & Desist order or Boil Water Order.

PUBLIC FACILITIES

Need/Benefit: (Up to 400 Points) –

Need (up to 300 points out of 400) includes points for severity of problem, extent of solution and third party documentation supporting both.

Benefit: (up to 100 points out of 400) includes points for low-mod percentage in the service area, and poverty percentage, jurisdiction-wide.

Readiness: (Up to 300 Points) –

Readiness includes points for activity-specific operator experience OR experienced in-house staff ready to start the procurement process, project approval status, site control, and all funding in place.

Capacity/Performance: (Up to 200 Points) –

Capacity/Performance includes points for, past experience in CDBG-eligible activities under CDBG or a comparable federal program, jurisdictional capacity in terms of dedicated resources, reporting timeliness, and cooperation/compliance in clearing audit findings.

State Objectives: (Up to 100 Points) –

Beginning with the 2012-2013 funding round, State Objectives will consist of objectives determined by the State to be of increased importance. These include points for capacity building. The Department is seeking additional suggestions for State Objective points under this activity.

PUBLIC SERVICES

Need/Benefit: (Up to 400 Points) –

Need (up to 300 points out of 400) includes points for severity of problem, extent of solution and third party documentation supporting both.

Benefit: (up to 100 points out of 400) includes points for low-mod income percentage in the service area and poverty percentage jurisdiction-wide.

Readiness: (Up to 300 Points) –

Readiness includes points for operator experience/program readiness, and site control of facility for service OR means to conduct the service.

Capacity/Performance: (Up to 200 Points) –

Capacity/Performance includes points for past experience in CDBG-eligible activities under CDBG or a comparable federal program, jurisdictional capacity in terms of dedicated resources, reporting timeliness, and cooperation/compliance in clearing audit findings.

State Objectives: (Up to 100 Points) –

Beginning with the 2012-2013 round, State Objectives will consist of objectives determined by the State to be of increased importance. These includes points for any of the following services: Job Training with Job Placement, Fair Housing Counseling or Homelessness Prevention.

In some cases, criteria will be scored in an “all or nothing” manner, where a jurisdiction can prove the point with required documentation, or it can’t, and will be awarded full points or none.

In other cases, the applicant pool will set the range of points for specific criteria. Some scores will be prorated among all applications for an activity. The application awarded the highest score for the criterion will receive full points, and the other applications will be ranked in descending order and awarded points on a proportional descending scale from full points to zero points.

Documentation and Scoring of Need for Activity

The Need category has 400 points and will require documentation to support the jurisdiction's basis for a specific activity. The activity must alleviate a serious need or threat to the health and safety of residents. The annual application package will list typical activities and describe how to document the need.

Documentation and Scoring for Readiness to Proceed

To document readiness, applicants must document that they are, or will be, ready to proceed with the activity upon award of funds, or soon after award. Applications able to clearly document ability to meet the State contract's 90 day deadline to clear special conditions for proposed activities will receive the highest scores under this category. For example, having all appropriate local approvals and resolutions completed, having approved program guidelines for a housing rehabilitation program/project, or all financing commitments for a public improvement or public facility project already in place will be considered critical elements of readiness.

Documentation and Scoring of Jurisdictional Capacity/Past Performance

This category will score the jurisdiction's overall ability to implement and manage the CDBG program at the jurisdictional level. Past performance, such as timeliness of submitting reports and clearing special conditions, will be scored. Applicants will submit resumes and duty statements documenting staff capacity and experience for the eligible activities. If the local jurisdiction uses or plans to use a consultant to assist in implementing the program and/or proposed activity, then copies of the consultant's staff's resumes and duty statements will be required. Contracts between the jurisdiction and the consultant will be submitted for Department review.

State Objective Points

As noted above, beginning with the 2013 NOFA, State Objectives will apply to the scoring criteria, and will be announced each year in the Annual Plan and every five years in the Consolidated Plan.

Planning and Technical Assistance

PTA applications will be ranked with a tie-breaker process, as defined in the NOFA, only when the PTA allocation has been oversubscribed. Currently the tie-breaker criterion is the jurisdiction's poverty score, as discussed below. The State-mandated cash match for PTA grants will be announced in the NOFA each year, allowing the State to take current economic conditions into account. For 2013 cash match will be 5% of the PTA award.

Un-scored Set-Aside

If HCD chooses, applications for Housing Assistance, Public Facilities, Public Improvements, Public Services and Enterprise Fund activities may request funding for an unrated eligible activity, up to the maximum specified in the NOFA, which shall be funded if at least one of the above types of activities is funded. For PY 2012-2013, the Un-scored Set-Aside is available up to a maximum of \$100,000.

Note: An applicant may apply for either the PTA activity or the Un-scored Set-Aside activity, but not both.

PTA Tie-Breaker

In the event of over-subscription for PTA, PTA applications will be ranked according to jurisdiction-wide poverty levels, whether PTA is the sole activity being applied for, or just one activity in a multi-activity application.

Applications that seek only PTA funding will be ranked by jurisdiction-wide poverty levels (per the 2010 census), from highest to lowest, and funded in order of ranking, regardless of whether the jurisdiction seeks to fund planning activities under the Economic Development allocation, the Community Development allocation, or both. When funding is exhausted in either the CD or ED allocation, remaining applications under the allocation that still has funds will continue to be funded, in order, until that allocation is also exhausted. At that point, remaining PTA-only applications will not be funded.

Applications that include the PTA activity as one of two or three activities may still be put into a tie breaker process in the event of over-subscription, and will be funded as described above.

The tie breaker process will be applied separately to PTA applications as the sole activity, and as part of a multi-activity application. There is no guarantee that PTA activities will be funded, in whole or in part, whether the sole activity or part of a multi-activity application.

In the event PTAs are not over-subscribed, funds remaining in the PTA allocation will be rolled over to the ED and CD allocations in compliance with the State requirement that 30% go to ED and 70% to CD. The funds will thereafter be prorated into the activities in the same percentages as the overall demand for activity funding.

Application Process and Scoring for Economic Development Over-the-Counter (ED OTC)

ED OTC activities will be evaluated on a first come, first served basis. Applications may apply for one or two annual awards. Applicants receiving two annual awards may not apply again for ED OTC funds in the second year. Applications will be evaluated for compliance with HUD underwriting guidelines in Appendix A to 24 CFR Part 570.

Project Pre-Screening

Early communications between project stakeholders and HCD CDBG staff regarding project design and underwriting help make a stronger project and ensure that all parties (the jurisdiction, business/developer, and consultants) are aware of their responsibilities. Early communication also expedites the application process and ensures the applicant's ability to address issues that may be raised by the Economic Development Advisory Committee (EDAC), which acts as the Department's ED Loan Committee.

Pre-screening starts with the jurisdiction and the business/developer filling out a “Talking Points” form from the ED OTC application package. Conference calls will take place as needed with representatives of the jurisdiction, the business owner/developer and the Department, to assess whether the project is a good match for OTC funding. During the call(s), the Department will advise what information is needed for an initial proposal.

The Project Initial Proposal Form is part of the OTC Application. It allows HCD staff to evaluate the viability of the project, identify project issues, and communicate the OTC program parameters and requirements. It contains basic information about the project:

1. History of the business(s) being underwritten, with historic sales, financial and management capacity.
2. The structure of each business and its ownership, and any other businesses the owners have an interest in.
3. A Sources and Uses form with all sources of financing needed for the project.
4. The total financing on the Sources and Uses form will be backed up with documentation of funding commitments when possible.
5. A job projection chart and a description of federal overlay compliance will be included.

Project Proposal Meeting

After reviewing the initial proposal, the Department will schedule a site visit or conference call with all parties to discuss and comment. Participants should include a representative of the applicant jurisdiction (including the underwriter), the developer and/or business owner, and the HCD CDBG Economic Development staff. The developer or business should bring all pertinent project and financial information to this conference. If the project is deemed reasonable and eligible for CDBG funding, and the sponsors are willing to complete an application, then the Department will invite the jurisdiction to apply.

Invitation to Submit an Application

When the Department has determined that the project is ready, the jurisdiction will be invited to submit a full application, based on readiness factors such as:

1. Market and financial feasibility, showing adequate cash flow to cover debt and job creation costs;
2. Full funding available for completion of the activities to be applied for;
3. Approval of local regulatory agencies;
4. Ownership/control of any real estate needed for the project;
5. Applicant staff financial and management capacity;

6. Public benefit via creation/retention of jobs; and,
7. National objective eligibility via low income jobs created/retained, or elimination or prevention of slums and blight.

Application Submittal

ED OTC applications are accepted continuously until all funds are awarded for the funding year. HCD reviews applications under a four-stage process:

1. **Completeness**: Incomplete applications will be returned to the applicant within **thirty (30) days** of receipt, with a written explanation of deficiencies that must be corrected prior to resubmission.
2. **Threshold**: When found complete, the application will undergo a minimum-threshold test. If it fails this test, it will be returned to the applicant with a written explanation of deficiencies that must be corrected prior to resubmission. Threshold review is based on criteria (see table below) in State CDBG Regulations, Section 7062.1 (c) (4). The application must score at least 50 of the 80 threshold points to pass on to the third review stage.

| THRESHOLD FACTOR | MAXIMUM NUMBER OF POINTS |
|---|-----------------------------------|
| • Percent of countywide unemployment relative to the statewide average | 25 |
| • Ratio of CDBG funds per unit of public benefit: A maximum of \$35,000 per job created or retained; or | 15 |
| • \$350 per low-/moderate-income person served | |
| • Ratio of private funds to CDBG funds | 15 |
| • Quality of applicant's past performance of CDBG ED grants | 15 |
| • Percent of funds allocated to applicant's general administrative costs | 10 |
| Total Points Possible: | |
| | 80 |

3. **Underwriting Review**: Upon passing the threshold test, the financial underwriting will be reviewed using HUD underwriting guidelines. The evaluation factors specified in State CDBG regulations assess whether the following conditions are present:

- a. Project costs are reasonable;
- b. All sources of project financing are committed;
- c. To the extent practicable, CDBG funds are not substituted for non-federal financial support;

- d. The project is financially feasible;
 - e. To the extent practicable, the return on the owner's equity investment will not be unreasonably high; and,
 - f. To the extent practicable, CDBG funds are disbursed on a pro rata basis with other finances provided to the project.
4. CDBG Loan Committee: The final step is submission of the application to the CDBG Loan Committee at a public meeting approximately **45 days** from receipt of the complete application.

For this meeting CDBG staff will provide a summary staff report which recommends approval or denial of the application. The applicant and/or business/developer makes a presentation to the EDAC on the project. The EDAC accepts, rejects or modifies the staff recommendation, then votes on a funding recommendation to the HCD Director, who has final approval authority. The Director's decision is made within **approximately 60 days** from receipt of a complete application.

Maximum Activity Funding Amounts

Federal and State requirements limit or restrict CDBG funds to particular activities. Within these limits, the proportion of funding for each activity will be the same as the proportion of the total funding requested, thus allocating funding to each activity category based on demand.

Once all scores are calculated, separate ranked lists will be prepared for each activity and separate funding allocation within the activity. Funding will be awarded until the available funding for that activity is exhausted. If all statutory and regulatory limits are not satisfied at the line where allocated funds are exhausted, then the funding line may be moved as needed to satisfy the limits. For example, if the line resulted in Public Services receiving 18% of total funding, one or more activities would not be funded until the federal maximum of 15% was satisfied.

Maximum Grant Funding Amounts

Per California Health and Safety Code Section 50832 and CCR Title 25 regulation section 7056, maximum grant amounts and activity funding maximums will be set in each annual NOFA, based on available funding.

There will be a maximum of \$2,000,000 for PTA activities, and 15% for Public Services.

Maximum Number of Activities

The maximum number of activities that may be applied for is currently limited to three per NOFA, including Planning and Technical Assistance activities but excluding Economic Development Over-the-Counter, Native American and Colonia activities. An Un-Scored Set-Aside activity will be available as one of the three activities an applicant may apply for. It must be CDBG-eligible and will only be funded if one of the applicant's other applied-for activities is funded.

Eligibility Threshold

All threshold requirements in State CDBG regulations must be met at time of application. Jurisdictions be in compliance with submission requirements for their Housing Element and their OMB A-133 Single Audit. Monitoring and audit findings no longer make a jurisdiction ineligible, but will be accounted for in the jurisdiction's Capacity/Past Performance score.

A new expenditure requirement in the Eligibility Threshold is known as the "50% Rule," whereby jurisdictions with open contracts must expend 50% of their aggregate total CDBG funding across those contracts before being eligible for additional funding. The 50% Rule will apply only to Community Development and Economic Development Enterprise Fund activity contracts, with the aggregate contract calculation being applied to open contracts signed as a result of the 2012 and later NOFAs (excluding ED OTC, and NOFAs for Stimulus and Recovery funds).

Amendment Process

A jurisdiction may request a budget or contract amendment. These will be reviewed on a case by case basis and must be justifiable as well as in compliance with laws and regulations governing California's CDBG program. The jurisdiction must submit in writing a request for amendment to their HCD representative. The representative will review the request and recommend approval, negotiation or denial to the Program Manager and the Section Chief.

Beneficiaries

In addition to the federal requirement that 70% of all CDBG funds be spent over not more than a three year period on activities that benefit persons of low and moderate income, and the federal requirement for Public Benefit in Economic Development activities, California law requires that not less than 51% of the State's CDBG allocation be spent on purposes directly related to improving housing opportunities, including infrastructure, for persons and families of low or moderate income.

Program Income (PI)

During 2012-2013, the State anticipates CDBG-eligible jurisdictions will receive PI of approximately \$10,500,000. Most of these funds will be obligated in accordance with approved local Program Income Reuse Plans. Typically, 40 percent of program income is spent on housing rehabilitation, housing acquisition/homeownership assistance, economic development assistance to businesses, or micro-enterprise revolving loan accounts. Some is expended through other activities in open CDBG grants.

As of July 1st 2011, the State has a new Program Income reporting structure that requires jurisdictions to report PI semi-annually. The State has also developed a waiver process whereby jurisdictions may apply to use PI from their RLAs for projects and programs outside an open contract. Jurisdictions wishing to make this application should contact their HCD Representative.

Float-Funded Activities

The State has not undertaken a float-funded activity and has no plans to do so in 2012-13.

Antidisplacement and Relocation Assistance Plan

Please refer to the appropriate Appendix at the end of this plan.

Monitoring

CDBG will continue to use a risk assessment tool to measure risk by jurisdiction, to determine which jurisdictions require on-site monitoring. The jurisdictions will be reviewed on all of their CDBG, Disaster Recovery Initiative (DRI) and CDBG-American Recovery and Reinvestment Act (ARRA) funded activities. Jurisdictions with Neighborhood Stabilization Program (NSP) contracts have a separate risk assessment based on unique NSP criteria and are monitored separately.

On-site monitoring, along with desk monitoring of activities such as Planning and Technical Assistance, financial records and Davis-Bacon compliance, and the current system for tracking grantee reporting, will be used to ensure long-term compliance with requirements of the program, including comprehensive planning requirements.

Performance Measurement

CDBG has incorporated HUD's performance measurement system into its application and report forms as detailed in the final rule on performance measures published by HUD on March 7, 2006 (FR-4970-N-02).

The Department continues to collect annual Grantee Performance Reports (GPRs), which include grantee accomplishments on open and active and close-out contracts in order to measure performance. The GPR format can be found in Management Memo 08-03 on HCD's website at: <http://www.hcd.ca.gov/fa/cdbg/mmemo/>

Disaster Recovery Initiative (DRI) / Disaster Recovery Enhancement Fund (DREF)

Primary Objective

HUD allocates the Disaster Recovery Enhancement Fund (DREF) to the State for use with the DRI Program. Specific requirements for DREF funds were published in the State's Amendment #1 to the DRI Action Plan. To use these funds, eligible jurisdictions must budget their DRI awards for use in "forward thinking mitigation, enhancements, and land use planning activities."

In 2008, California experienced a wildfire siege of the greatest magnitude in the history of the State, which resulted in the issuance of two Presidential Disaster Declarations. On June 28, 2008 President Bush issued an emergency management disaster declaration

through the Federal Emergency Management Administration (FEMA 3287-EM), which included Butte, Kern, Mariposa, Mendocino, Monterey, Plumas, Santa Barbara, Santa Clara, Santa Cruz, Shasta, Trinity counties, and the Hoopa Valley Indian Tribe and Yurok Indian Tribe of the Yurok Reservation.

On November 18, 2008, the President issued a disaster recovery declaration through the Federal Emergency Management Administration (FEMA 1810-DR) for disasters from wildfires in Los Angeles, Orange, Riverside and Santa Barbara counties. Costs stemming from 2008 wildfire damage, destruction and loss of property were estimated at well over \$1.3 billion.

The primary objectives of the 2008 DRI Program, including the DREF allocation, are to provide financial assistance to eligible jurisdictions (Counties, Cities and Tribes) for necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, housing and economic revitalization in areas affected by wildfire disasters occurring in 2008.

The primary objectives for the 2008 DREF allocation are:

- Provide incentives to eligible jurisdictions to incorporate enhanced mitigation techniques (designs and materials) as part of their repair and rehabilitation activities, by providing an additional \$15,000,000 to help cover the higher costs of the enhanced designs and materials that increase mitigation within individual projects.
- Provide incentives to eligible jurisdictions to incorporate forward thinking hazard mitigation planning in their recovery efforts (eg, creation/update of Local Hazard Mitigation Plans (LHMPs), or, creation/update of Safety Elements in General Plans).
- Provide incentives to eligible jurisdictions to incorporate updated building codes, and code enforcement, as repair and rehabilitation projects are constructed and completed.

HCD Program Goals

- 1) Conduct outreach to all eligible entities by:
 - a) Traditional posting and electronic delivery of public notice, action plan amendment announcing the DREF allocation, amendment to the DRI NOFA and application to all jurisdictions (statewide), and instructions delivered to jurisdictions that previously applied for DRI funding.
 - b) Posting and maintaining available information and related forms on HCD web-site.
 - c) Direct individual contact with jurisdictions that have already applied for DRI funding.
- 2) Provide technical assistance to ensure compliance with federal overlay requirements and maximum use of available DRI and DREF resources.
- 3) Streamline funding recommendation process to allow timely distribution of funds. The Department has elected an Over-The-Counter (OTC) process to speed the processing of applications and delivery of funds.

- 4) Verify compliance with all federal overlay requirements via the approved CDBG monitoring plan.

Funds Available

HCD received approximately \$39.5 million in Disaster Recovery Initiative (DRI) grants for 2008 California wildfire disasters, and \$15 million in the DREF allocation.

The Department has budgeted \$15 million for forward-thinking planning and other smart strategies to prevent or reduce damage from future disasters. Per the federal DRI Notice, this allowed the State to request an equal amount from HUD's \$311,602,923 discretionary DREF. This Enhancement Fund is designed to allow secondary allocations to grantees that anticipate still having unmet disaster recovery needs after developing and undertaking forward thinking recovery strategies and activities in a timely manner.

Eligible Jurisdictions

The DRI and DREF Programs have approximately 224 eligible jurisdictions. Eligible applicants include cities, counties, and two federally-recognized Native American Tribes within counties where the 2008 major disasters were declared. The following eleven counties and two Tribes were listed in major disaster declaration FEMA 3287-EM for 2008: Butte, Kern, Mariposa, Mendocino, Monterey, Plumas, Santa Barbara, Santa Clara, Santa Cruz, Shasta and Trinity counties, and the federally recognized Hoopa Valley Indian Tribe and Yurok Indian Tribe of the Yurok Reservation. Four counties were listed in major disaster declaration FEMA 1810-DR for 2008: Los Angeles, Orange, Riverside, and Santa Barbara counties. DRI and DREF funding is available to the above-named counties and tribes, and any city within the named counties.

Fund Allocation for DRI

Allocation of \$39.5 million 2008 DRI funds:

- \$18 Million for housing, infrastructure and economic recovery and revitalization.
- \$15 Million for the development of forward-thinking land-use planning.
- \$4.5 Million set-aside (per HUD) for affordable rental housing activities
- \$2 Million (est. 5 percent) allowed by HUD for administrative costs.

Fund Allocation for DREF

Allocation of up to \$15 million DREF funds:

- Up to \$15 million will be available to the State based on the amount budgeted and allocated to eligible jurisdictions for "DREF-eligible" activities.
- Funding may be allocated to eligible jurisdictions for any DRI-eligible activity, regardless of enhancements, so long as the same amount (up to \$15 million) is allocated for DREF-eligible activities out of the original \$39.5 million in DRI funds.

Methods of Distributing the DREF

Funds will be distributed pursuant to the federal DRI Notice [Docket No. FR-5337-N-01], Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (U.S.C. 5121), and, as prescribed under federal (CFR, Title 24,

Part 570 et seq.) and California (CFR, Title 25, Part 7050 et seq.) (CDBG program regulations).

All DREF Funding will be made available through an amendment to the established 2008 DRI NOFA and over-the-counter application process. The Department will review applications and make funding decisions as applications are received. Awards will be made on a first-come, first-served basis based on eligibility threshold criteria. DREF eligibility criteria were established by HUD and announced in the State's amendment to the DRI NOFA and will be independent of applicants' status with the State CDBG Program. If requests total less than the funds available, the balance may be distributed to existing applicants.

Eligible Activities

All DRI and DREF activities must meet at least one of three CDBG program national objectives: benefit to persons of low-and moderate income, aid in the prevention or elimination of slums or blight, or meeting other urgent community development needs where existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available. In addition, grantees must ensure and document that at least fifty percent of their funding will meet the National Objective of benefiting low- and moderate-income persons. The State is required to meet this percentage and is passing this requirement on to local jurisdictions. All DREF funds will be used in conjunction with already awarded DRI funds.

All activities funded with 2008 DRI allocations will be CDBG eligible in accordance with current Federal and state regulations, and all DREF allocations will be used for the same activities. The State may, at its discretion, allow DREF funds to be used for any DRI-eligible activity. Adherence to all current construction quality standards, applicable building codes, zoning ordinances, and cost-effective energy conservation standards will be required.

Primary 2008 DRI program activities, whether funded through the DRI allocation, the later DREF allocation or a combination of both, may include:

- Housing rehabilitation, reconstruction or replacement of residential structures;
- Homebuyer assistance to facilitate homeownership among low-and moderate income persons affected by the declared disaster, (down payment assistance, interest rate subsidies, loan guarantees);
- Repair, reconstruction or replacement of affordable rental housing;
- Community facility acquisition, construction, reconstruction or rehabilitation;
- Public works & infrastructure improvements in support of housing, including: installation/improvements of water and sewer facilities, streets and drainage;
- Code enforcement in deteriorated areas, e.g., those affected by disaster;
- Public services for social services required because of disaster, emergency shelter or transitional housing payments;
- Activities relating to energy conservation and renewable energy resources, incorporated into recovery;
- Housing new construction activities for replacement housing units damaged or destroyed as a direct result of the declared disaster;
- Acquisition of real property (including buying-out of properties in critical fire hazard areas and the acquisition of relocation property);

- Relocation payments and assistance for displaced persons, businesses, organizations, and farm operations;
- Individual Mitigation Measures (IMM) to improve residential properties making them less prone to damage;
- Forward Thinking Hazard Mitigation Planning activities (i.e., the creation/update of local Hazard Mitigation Plans, or, creation/update of Safety Elements in General Plans); and,
- General administrative activities

NOTE: Reimbursement of previously expended non-federal funds for 2008 DRI eligible activities may be eligible in some cases as described in the NOFA and Application.

Applicants within the eligible counties with no 2008 wildfire damage area may apply only for forward-thinking land use planning, such as general plan safety elements, LHMPs and modern disaster Codes (and associated Administration costs).

Under the 2008 DRI Amended NOFA, eligible applicants will be allowed to apply for grant amounts of up to \$8,500,000 depending on the scope and number of eligible activities being applied for (see details in the NOFA Amendment and Application).

Program Income

Program income (PI) generated by DRI funds shall remain at the local jurisdiction. State staff will determine if PI repaid from activities funded under this NOFA are normal CDBG PI and will be tracked as such by the grantee's fiscal staff, or must be tracked as DRI PI and retain their identity as such. If the grantee is using DRI or DREF funds for activities already being funded with other CDBG funds, for example doing additional housing rehabilitation loans, then any DRI or DREF funds repaid will be returned to the local CDBG program income account. However, if the grantee is doing a new activity with DRI or DREF funds not already issued with CDBG funds, any repayments from DRI or DREF must be tracked as DRI program income. The State's decision about the type of program income generated from the proposed activities will be made at the time of initial award of DRI or DREF funds and that determination will be included in the grant contract between the State and the grantee.

Monitoring

Prior to expiration of the grant agreement, State staff will monitor each DRI grant recipient for compliance with State and federal overlays as described in the State's adopted CDBG monitoring plan. Monitoring checklists in the most recent grant management manual will be utilized and any issues found in the monitoring will be resolved prior to closeout of the grant. All DREF funding will be monitored as part of each jurisdiction's overall DRI grant.

Performance Measurement

Grantees will be required to collect data and report their accomplishments using procedures in the State CDBG program grant management manual, which requires completion of pre-determined specific output indicators based on type of activity. The State will track and report this information, to the extent possible, through HUD's on-line Disaster Recovery Grant Reporting (DRGR) federal grant reporting system.

Home Investment Partnerships Program (HOME)

Funds Available

During 2012-13, the State HOME Program is expected to receive an allocation of approximately \$30.9 million (including approximately \$1.077 million reallocated to the State from jurisdictions giving up their HOME formula allocation). Of this amount, \$2.3 million will be reserved for State administrative funds, leaving a minimum of approximately \$28.7 million to be offered in the HOME NOFA.

2012-13 Goals and Objectives

Goal 1: Meet the housing needs of low-income renter households

HOME funds will continue to be used to support the development of rental housing for all types and sizes of low-income households.

Objectives:

1. Evaluate whether HOME should be using its funds for rental housing in a more targeted manner given reduced allocation levels.
2. Consider continuing to use State Objective bonus points to encourage lower rents than the standard Low and High HOME rents.
3. Continue to explore ways to make HOME rental projects competitive for other sources of available public financing.
4. Continue evaluating HOME's existing portfolio to assess the need for additional assistance to projects that may have extenuating financial need and/or substantial rehabilitation needs (i.e., "troubled projects").
5. Consider amending State HOME regulations to permit rental project loans of less than 3% interest where necessary to prevent negative capital accounts in tax credit projects.

Goal 2: Meet the housing needs of low-income homeowners

HOME funds may be used for both first-time homebuyer (FTHB) downpayment assistance programs and construction projects, as well as owner-occupied rehabilitation (OOR) programs. For more information, see Sections 8201 and 8205 of the State HOME regulations located at <http://www.hcd.ca.gov/fa/home/>.

Objectives:

1. Evaluate whether HOME should be using its funds for homeowner activities in a more targeted manner given reduced allocation levels.
2. Consider amending State HOME regulations to permit CHDO eligibility for FTHB acquisition and rehabilitation funds.

3. Consider amending State HOME regulations to permit the Department to eliminate the \$10,000 rehabilitation limit for FTHB acquisition with rehabilitation in favor of a more flexible limit.
4. Consider amending State HOME regulations to permit a portion of funds for homeowner rehabilitation activities to be provided in the form of a grant.

Goal 3: Address the housing needs of homeless and other special needs groups, including the prevention of homelessness

HOME funds may be used for acquisition, rehabilitation, or construction of permanent supportive housing for special needs populations, and transitional housing to provide temporary housing to individuals and families who are currently homeless. HOME Program funds can also be used to provide Tenant Based Rental Assistance (TBRA), including security deposit assistance, to assist persons to access and maintain housing.

Objectives:

1. Consider offering additional funds and/or bonus points for rental projects providing deeper affordability.
2. Encourage applications for projects targeting special needs populations, as permitted under federal and State antidiscrimination and fair housing laws.
3. Work with State Department of Health Services to explore use of Special Needs project-based rental assistance funds in HOME-assisted projects.

Goal 4: Mitigate Impediments to Fair Housing

Objectives:

1. Continue monitoring fair housing activities, including providing technical assistance on community-wide marketing, and affirmative marketing plans for all HOME projects of five or more units
2. Continue work on updating the Department's Analysis of Impediments to Fair Housing Choice (AI) as required by HUD, including exploring ways to affirmatively further fair housing in the distribution and use of HOME funds.

Eligible Applicants

Eligible HOME applicants include:

- Cities and counties not located in HUD-designated Participating Jurisdictions (PJs);
- Cities not participating in an Urban County Agreement with their county PJ;
- Cities and counties not part of a HOME Consortium; and
- State-certified Community Housing Development Organizations (CHDOs) proposing eligible activities within the CHDO service area and HOME-eligible locality.

For a tentative list of the over 200 HOME-eligible cities and counties, see Appendix A.

Eligible Activities

Pursuant to federal and State HOME regulations, HOME funds can be used for:

- new construction, acquisition, and/or rehabilitation activities;
- FTHB downpayment assistance;
- Tenant-Based Rental Assistance (TBRA); and
- certain administrative expenses.

Eligible activities may occur within programs or projects. Programs are activities without identified sites at the time of the HOME application. Program funds are provided in the form of grants to eligible cities and counties who then provide low-interest deferred payment loans or grants to individuals for specified activities. Projects are activities with identified sites at the time of the HOME application. Project funds are provided to eligible cities and counties in the form of grants. The locality then provides funds to affordable housing developers, primarily in the form of three percent deferred payment loans. The Department also provides project funds directly to CHDOs, primarily in the form of three percent deferred payment loans. HOME funds may be used to assist Indian tribes consistent with applicable State and federal requirements.

Eligible Program Activities

- FTHB Program - Funds provided to a city, county or CHDO to administer a program to assist first-time homebuyers. Eligible uses of these funds consist of: 1) a city or county providing a loan to the homebuyer for acquisition and up to \$10,000 for rehabilitation of a dwelling that the homebuyer selects from the open market provided the work is done after transfer of ownership interest; and 2) a city, county or CHDO providing assistance for the construction of scattered site dwellings, with no more than four dwellings on each vacant site, and each site shall be in an existing built-out neighborhood. These dwellings must then be sold to FTHBs. HOME permits FTHB primary loan terms to exceed 30 years. Homebuyer Education is required for all Homebuyer loans made after June 30, 2008. See Goal 2 above for possible State regulation changes affecting FTHB programs.
- Owner-Occupied Rehabilitation Program - Funds provided to a city or county to administer a program to assist owners of homes that are in need of rehabilitation in order to comply with applicable Health and Safety statutes or building codes. See Goal 2 above for possible State regulation changes affecting OOR programs.
- Rental Rehabilitation and/or Acquisition Program - Funds provided to a city or county to administer a program to assist owners of multi-unit rental housing that is in need of rehabilitation, or to assist in the purchase and rehabilitation of multi-unit rental housing that is in need of rehabilitation. No property assisted through this program shall receive more than 40 percent of the activity amount. Funds for this activity may not be available under the 2012 NOFA.
- TBRA Program - Funds provided to a city or county to administer a program to provide rent subsidies to eligible households. Tenant leases cannot exceed 24 months, but can be renewed if additional TBRA funds are secured. In California,

there are many market conditions that justify the use of HOME funds for TBRA, including tenant income compared to fair market rent and housing cost burden.

State Recipients may establish preferences pursuant to federal and State HOME requirements for use of HOME TBRA funds to serve victims of local, State, or federally declared disasters. Preferences for TBRA funds may also be established for tenants displaced if the Department determines that existing rental assistance will not be continued or renewed.

Additional preferences for special needs populations may be approved by the Department consistent with federal and state fair housing laws. Prior to approving any preference in the use of TBRA funds, the Department will determine whether an unmet need exists for which the preference is necessary to narrow the gap in benefits and services received by such persons.

Any TBRA preferences must be established under the jurisdiction's HOME TBRA guidelines, and these guidelines must be approved by the Department. Before using HOME TBRA funds, the applicable TBRA requirements at 24 CFR Part 58 must also be met.

TBRA funds can be used in all HOME-eligible jurisdictions in the county where the funds were awarded, not just in the particular local jurisdiction to which the funds were awarded.

Eligible Project Activities

- FTHB Project - Funds used to develop a specified number of units to be sold to FTHBs. By the conclusion of construction, the entire HOME investment shall be converted to mortgage assistance for the FTHBs.
- Rental New Construction Project - Funds provided to develop a specific multifamily project on a specific site by a specific developer. See Goal 1 above for possible State regulation changes affecting rental new construction projects.
- Rental Rehabilitation and/or Acquisition Project – Funds provided to acquire a specific rental housing project, to rehabilitate a specific project without any transfer of ownership, or to both acquire and rehabilitate a specific project. Funds for projects that only involve acquisition with no rehabilitation, and for projects that only involve rehabilitation with no acquisition, may not be made available under the 2011 NOFA.

Currently, HOME funds used for TBRA, relocation payments, lead remediation, and administration or activity delivery costs must be provided in the form of grants.

For more information on HOME-eligible activities, see Sections 8201 and 8205 of the State HOME regulations located at <http://www.hcd.ca.gov/fa/home/>.

Special Needs Preferences

For TBRA (previously discussed), and for any eligible activity, preferences in serving special needs populations with HOME funds may be approved by the Department consistent with federal and State fair housing laws.

HOME Recapture and Resale Policy

Pursuant to 24 CFR 92.254(a)(5) and HOME Regulation 8206.1, the State HOME Program will utilize the recapture option in its homeownership programs and projects, but may utilize the resale option for limited equity forms of ownership, such as cooperatives and community land trusts.

Recapture Loans:

- Where the local jurisdiction or the CHDO is not imposing its own resale controls, the recapture method used is to recapture the entire amount of the loan to the homebuyer. The assistance provided the homebuyer may include down-payment assistance, closing costs, and/or the difference between the appraised home sales price and the amount of the first mortgage for which the low-income homebuyer can qualify, plus closing costs.
- The home sales price cannot exceed the appraised value of the home. If the Department provides funds for homeowner new construction or rehabilitation, and total project costs exceed appraised value, the development subsidy is not subject to recapture.
- Pursuant to 24 CFR 92.254, when recapture is triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds, or the net proceeds are insufficient to repay the HOME investment due, only the net proceeds can be recaptured, if any. Net proceeds are the sales price minus superior loan repayments (other than HOME funds) and any closing costs. HOME loans made under the recapture option may be assumed by subsequent HOME-eligible purchasers.
- For loans held by State Recipients, the local jurisdiction may impose equity sharing provisions on the appreciation in home value proportionate to the share of the HOME assistance provided, less the homeowner investment in the property. Equity sharing would only apply if the sales price is sufficient to repay the HOME loan, and the loan is not assumed by another HOME-eligible purchaser. The captured appreciation may also be reduced proportionate to the number of years during which the homebuyer has owned the home. The captured appreciation may also be subject to restrictions by other public lenders such as USDA or CalHFA.

Typically, the appreciation is calculated as follows:

1) Gross appreciation is calculated by subtracting the original sales price from the current sales price, or the current appraised value if the loan accelerating event is other than sale of the property;

2) Net appreciation is calculated by subtracting the seller's applicable closing

costs, seller's cash contribution in the original purchase transaction, the value of seller's sweat equity, if applicable, and the documented value of capital improvements from the gross appreciation amount;

3) The State recipient only claims repayment of the HOME principal and a portion of the net appreciation. That maximum portion of the net appreciation which is claimed by the State Recipient is equal to the percentage of the value of the home financed by the HOME loan. That is, if the loan equals 20% of the initial value of the home, a maximum of 20% of the net appreciation is claimed by the State Recipient;

Resale Loans:

Pursuant to State Regulation 8206.1, HOME loans may be made in the form of resale loans on projects involving limited equity forms of ownership.

In other situations, although the HOME loan remains a recapture loan, a State Recipient or CHDO may impose its own resale controls when there is subsidy other than State HOME funds. The subsidy need not be an actual loan; it may be in the form of an inclusionary ordinance which requires homes to sell below fair market value.

The State HOME program does not anticipate reviewing FTHB activities for FY 2012-13 which propose use of resale controls. HCD will amend its 2012-13 Annual Plan to address resale requirements should these activities need approval in the coming year.

Affirmative Marketing

Pursuant to Section 92.351 (a), the State HOME Program requires projects of five or more units to adopt affirmative marketing plans and requirements.

HOME requires the use of certain forms as part of affirmative marketing procedure.

- Form HUD-935-2A, Affirmative Fair Housing Marketing Plan for MF Housing
- Form HUD-935.2B, Affirmative Fair Housing Marketing Plan for SF Housing
- Ethnicity and Race Data Collection Form
- Annual Affirmative Marketing Analysis Report
- Demographic Analysis (for activities, such as FTHB mortgage assistance programs or OOR programs)

In addition, Chapter XII of the HOME Contract Management Manual entitled "*Equal Opportunity in Housing*" is available on HCD's website as a reference. It is an overview of Fair Housing, Affirmative Marketing, and Accessibility requirements and contains several documents in the Appendix to guide HOME recipients in attaining compliance. The Contract Management Manual and some of the forms noted above are available on our website at www.hcd.ca.gov/fa/home/

Annually, CDBG monitors send letters to HOME recipients requesting document copies for each HOME-assisted project. The HOME recipient must submit the documents for review within a reasonable period of time.

HOME staff sends the HOME Recipient a letter upon completion of the review to confirm compliance, provide technical assistance as needed, or inform of a possible site visit for training purposes.

Minority Homeownership

It is projected that approximately 600 minority households will become homeowners with State HOME assistance during the period covered by the 2010-2015 Consolidated Plan. Given the significant reduction in HOME funding for 2012-13, HCD estimates that it will assist 60 minority households to become homeowners in 2012-13. HOME will continue to assess homebuyer outreach/marketing plans for additional marketing efforts to increase minority homeownership rates.

Minority/Women's Business Outreach

Pursuant to Section 92.351(b), the State HOME Program requires recipients of funds to adopt procedures for outreach to minority business enterprises (MBE) and woman business enterprises (WBE) in the procurement of goods and services related to its housing activities. HOME contractors are trained using outreach standards developed by HUD and given resources for finding certified MBE/WBE firms in California. Chapter XIII of the HOME Contract Management Manual, "EO – Employment and Contracting", contains our requirements and resources in this area.

HOME monitors contractor good-faith efforts to utilize MBE/WBE. Site visits include a review of HOME contractor files and discussions with HOME contractor staff. Thereafter, the HOME contractor will annually submit MBE/WBE reporting forms to the Department.

Match

Pursuant to Section 8206 of the State HOME regulations, the HOME Program will satisfy the federal 25 percent match requirement by using excess match reported from prior HOME fiscal years, as well as match reported by applicants funded in the current funding round.

Antidisplacement and Relocation Assistance Plan

Please refer to Appendix E.

HOME Allocation Method

HOME funds will be divided into three separate allocations: one for rental projects, one for programs, and one for FTHB projects, with the percentage of each allocation based on the actual application demand expressed as a dollar amount requested in response to the initial NOFA of a funding cycle. However, under the initial NOFA, in no event shall the allocation for rental projects or the allocation for programs decline below 40 percent of the total funds available, and in no event shall the allocation for FTHB projects decline below 5 percent of the total funds available.

If the minimum allocation is not fully subscribed for applications submitted under the initial NOFA, the remaining funds may be: (1) transferred to the other allocation; (2) made available under a subsequent NOFA; or (3) a combination of (1) and (2). Funds under a subsequent NOFA may be made available on a first-come, first-served basis for a maximum of nine months from the application deadline under the initial NOFA, or for programs, may be divided equally among all eligible applicants requesting funds.

Pursuant to federal and State HOME regulations, a minimum of 15 percent of the total HOME allocation will be set-aside for CHDOs, and a minimum of 50 percent of the total funds awarded will be set-aside for rural area applicants. This rural percentage was chosen based on a needs study conducted pursuant to 24 CFR 92.201. If there are an insufficient number of eligible applications that qualify for the set-aside, the remaining rural funding reservation will be used to fund any eligible non-rural applications.

For more information on allocation of funds, see Sections 8212, 8212.1 and 8213 of the State HOME Regulations located at <http://www.hcd.ca.gov/fa/home/>.

Application Process and Rating Criteria

The anticipated timetable for the award of 2012-13 HOME funds is as follows:

| | |
|--|--|
| Issue NOFA | June 1, 2012 |
| NOFA Training Workshops | June 2012 |
| Application Deadline - Projects and Programs | August 15, 2012 |
| Loan and Grant Committee (Rental Projects) | January 2013 |
| Announce Awards | December 2012 - Programs February 2013 - Projects |
| Execute Contracts | 45-60 days after award letters |

Over-The Counter (OTC) NOFA for Programs

Depending on the availability of funds, and in addition to the main competitive NOFA, HOME may also issue an OTC NOFA in 2012-13 for programs that were ineligible to apply under the main NOFA because the applicant had not reached the 50 percent expenditure level by the first application deadline (see below). Once they have reached the 50 percent level, programs can apply for and receive OTC funds as long as their application meets all of the threshold criteria set forth in Section 8212 (a) of the State HOME regulations.

OTC program funds may be awarded in equal amounts among all applicants requesting funds, rather than on a first-come first-served basis.

Deep Targeting

HOME may also offer additional funds to rental projects to reduce private mandatory debt and facilitate more affordable rents.

Threshold Evaluation Criteria

To be considered eligible for funding, an application must be submitted by an eligible applicant by the deadline stated in the applicable NOFA. In addition, the application must be complete and all proposed activities must be eligible.

The total amount requested in an application cannot exceed the amounts specified in the NOFA. Applicants may be held out from competition due to performance problems with current HOME contracts, failure to submit required OMB A-133 audit documentation to the State Controller's Office, or unresolved audit findings.

Applicants for program activity funds with one or more active State HOME contracts must have expended at least 50 percent of the aggregate total of program funds originally awarded under these contracts to be eligible to apply for additional program activity funds.

Contractors for projects that miss three project deadlines are currently ineligible to apply under the next project NOFA. However the Department may waive this holdout penalty if the missed project deadline was clearly outside the control of all of the following parties: the applicant, developer, owner, and managing general partner.

Project applications must show adequate evidence of site control and demonstrate financial feasibility. HOME requires certain documents to evaluate feasibility, including but not limited to a market study (or other market information for FTHB development activities), appraisal, and Phase I/Phase II Environmental Site Assessments for new construction projects or lead, asbestos, and mold assessments for rehabilitation projects. FTHB projects and programs must also submit guidelines governing the allocation of mortgage assistance funds to individual homebuyers.

Applicants must certify there are no pending lawsuits preventing implementation of the project as proposed. Rental projects must demonstrate compliance with Article XXXIV of the California Constitution, and CHDO applicants must also demonstrate effective project control pursuant to federal and State HOME requirements.

Rating Factors

Programs and projects compete separately. HOME uses several rating factors to evaluate proposed programs and projects. Following is a general description of these rating factors. Maximum point values for each factor are identified in State HOME regulations and updated in the NOFA.

Applicant Capability: Examines past performance on HOME contracts, as well as experience with other similar projects. The Department may deduct rating points from a project application if the project applicant, developer, owner, or managing general partner has been the applicant, developer, owner, or managing general partner on HOME projects in the past five years that have missed any of the following project deadlines: obtaining all necessary permanent financing, project set-up, construction loan closing, project completion, or final expenditure of funds. Performance points may also be deducted for failure to submit required reports in a timely manner and material misrepresentations of fact which jeopardize the Department's investment in the project, or put the Department at risk of a serious monitoring finding. In addition to HOME applicants, project owners and managing general partners can also have points deducted from applications they are involved in for failure to cooperate with monitoring requirements identified by the Department in the last five years

Community Need: Examines Census data relative to need in the locality where the program or project is being proposed.

Feasibility: Feasibility of rental projects must be demonstrated by compliance with the Department's Uniform Multifamily Regulations and State and federal HOME requirements.

In addition, for FTHB development activities, the Department will evaluate the ability of the proposed project to meet State and federal HOME requirements. This will include, but is not limited to: an evaluation of the adequacy of the proposed development budget, the demonstrated market for the project, including both the assisted units and the non-assisted units, if any, and the affordability of the project, taking into account other available financing and HOME income requirements.

Both rental and FTHB projects earn points based on the percentage of HOME-assisted units.

Readiness: Examines the applicant's project development plan, as well as the status of local government approvals, design progress, and financing commitments for a project.

Housing Element Compliance: Examines whether a city or county's housing element is in substantial compliance with State law. CHDOs and newly formed cities receive full points in this rating category.

Giving Up Formula Allocation: Applicants receive additional points for proposing activities in a jurisdiction that has given up its HOME formula allocation to compete in the State HOME Program.

Rural Points: Rural applicants receive additional points in the competition.

State Objectives: For 2012-13 HOME may award State Objective points to the following:

- Applications that provide deeper affordability;
- Activities that can be set up and funded quickly;
- Applications that demonstrate expeditious or efficient use of HOME funds;

- Applications that can be funded in a manner which promotes capacity building and continuity of housing activities;
- Applications that target “special needs populations,” where permitted under federal and state antidiscrimination and fair housing laws;
- Applications that promote geographic diversity;
- Applications that address fair housing impediments.

For more detailed information on HOME rating criteria, please see Section 8212 of the State HOME regulations located at <http://www.hcd.ca.gov/fa/home/>.

Monitoring

The HCD HOME program undertakes several levels of oversight to monitor activities carried out in furtherance of the Annual Plan. Principally, HCD relies on the standards set in federal and State HOME statutes and regulations to govern its actions. However, HCD also consults regularly with applicants and grantees for feedback on priorities the Program should undertake, and on how to improve its internal procedures to improve Program implementation. HCD HOME also continually revises its set-up documentation and ongoing, close-out, and long-term monitoring procedures so that monitoring compliance with HOME fiscal requirements and federal overlays happens when most appropriate in the development of a project. Currently, HOME combines desk monitoring and site visits, which involve ongoing communication with its grantees. Internally, HOME monitors performance in meeting its Annual Plan goals and objectives through regular management team meetings, and State Recipient and CHDO staff meetings. In addition to the monitoring procedures described for Program requirements, HOME also monitors project progress and grantee expenditure rates.

HOME continues to gather and analyze project data from our asset management unit to better inform our current underwriting practices so that we can develop more financially sustainable projects.

Performance Measurement

HUD established Performance Measurements that became mandatory for every formula grantee in October 2006. These measurements are designed to enable grantees and HUD to inform Congress, the Office of Management and Budget (OMB), and the public of the outcomes of the programs. The goal is to focus on more outcome-oriented information and aggregate results across the broad spectrum of programs funded by these block grants at the city, county, and State level.

For all activities, the State HOME Program will continue using “Providing Decent Affordable Housing” as its primary objective and “Improving Affordability” as its primary outcome measurement. The Program will collect performance measurement data from borrowers and grantees through its Set-up and Project Completion Reports.

Emergency Solutions Grants Program (ESG)

Eligible Organizations

ESG-eligible applicants are cities and counties that do not receive ESG funds directly from HUD, as well as 501(c)(3) nonprofit organizations that provide ESG-eligible activities in these localities. Pursuant to State ESG Regulations, as of the publication date of the applicable NOFA, an eligible organization applying for Emergency Shelter activities must have provided Emergency Shelter activities continuously each day throughout the prior 12 months or for winter or summer-only shelter providers, each day throughout the region's prior winter or summer shelter season. This requirement does not apply to new programs or Homelessness Prevention and Rapid Re-Housing activities as described below.

Eligible Activities

Types of components eligible for ESG funds include street outreach, emergency shelters, and other services to homeless persons. Homelessness Prevention and Rapid Re-Housing programs are also eligible, including programs providing temporary rental assistance to prevent eviction or assist with move-in costs. State ESG Regulations (currently being revised to comply with the federal HEARTH Act and HUD regulations) are located on the Department's website at www.hcd.ca.gov/fa/ESG/.

The ESG Interim Rule states that a "Maintenance of Effort" entity may apply if the subrecipient is a unit of general local government. ESG funds cannot be used to replace funds the general local government provided for emergency shelter services during the immediately preceding 12-month period, unless HUD determines that the local government is in a severe financial deficit (24 CFR Section 576.102(d)).

Due to the availability of State bond funds authorized by Propositions 46 and 1C, administered by the EHAPCD program for the capital development of emergency shelters and transitional housing, ESG discourages use of its funds for capital development activities such as renovation, major rehabilitation and conversion.

Funds Available

ESG makes funds available on a competitive basis, and continuously reallocates any disencumbered funds recovered from underperforming subrecipients. During 2012-13, the State ESG Program is expected to receive an allocation of approximately \$12,315,080. Of this, \$738,905 will be reserved for State administrative funds, leaving approximately \$11,576,175 to be offered in the ESG NOFA. A listing of eligible jurisdictions is included in Appendix A.

ESG Allocation Method

In accordance with State ESG Regulations, the ESG allocation will be divided into five smaller allocations described below.

New Programs: The purpose of this allocation is to foster the development of new capacity to serve the homeless. Currently, to qualify as a New Program under this allocation, a program must have been in operation for less than two years from the date of the applicable NOFA, and the organization applying on behalf of the program must not have received State ESG funds or HPRP funds in the previous two funding rounds.

Northern California: Available to programs in ESG-eligible localities within Northern California urban counties.

Southern California: Available to programs in ESG-eligible localities within Southern California urban counties.

Rural: Available to programs in ESG-eligible localities within non-urban counties.

General: Available to programs that do not rank high enough to be funded out of the New Program, Northern California, Southern California or Rural allocations. All programs not funded may receive General allocation funds based on their application scores.

Application Process and Rating Criteria

ESG expects to release its annual NOFA and hold one application training workshop in Sacramento. State regulations permit the maximum grant amount per application to be established in the NOFA based on 2 to 4 percent of the available annual State ESG allocation. State regulations also permit the Department to give applicants the option of applying for 12- or up to 24-month grants.

Per State regulations, applicants are rated in four main areas: applicant capability; need for funds; impact and effectiveness of client housing; cost efficiency; and State objectives. For a detailed description of the rating factors, see Section 8411 of the State ESG Regulations on the Department's website at www.hcd.ca.gov/fa/ESG/.

Monitoring

The State ESG Program will continue to use a risk assessment tool to measure risk associated with all subrecipients to determine which ones require on-site monitoring. On-site monitoring of the highest risk subrecipients along with the current tracking system for subrecipient reporting will ensure long-term compliance with requirements of the Program, including the comprehensive planning requirements. In addition to on-site monitoring, desk audits will be implemented during 2012-13 for those subrecipients at lower risk.

Goals and Objectives

Goals:

1. Enhance service delivery to those who are at risk of homelessness or homeless.
Objectives:
 - Provide funding and technical assistance to subrecipients providing street outreach, homelessness prevention and rapid rehousing activities.
 - Provide technical assistance to subrecipients and Continuum of Care organizations (CoCs) to collect and analyze data, and share best practices.
2. Fund shelter operations
Objectives:
 - Provide flexibility in the use of shelter operation funds while serving appropriate populations in accordance with federal requirements.
3. Facilitate and assist CoC collaboration
Objectives:
 - Meet with county and nonprofit organizations to encourage participation in CoC's.
 - Encourage CoC's to provide feedback of their best practices to HCD
 - Award rating points based on CoC priorities.
4. Facilitate the development and utilization of Homeless Management Information System (HMIS) data.
Objective:
 - Collect and analyze data on homeless populations and client outcomes to identify best practices, maximize resources and encourage subrecipients to do the same.
5. Encourage the provision of supportive services to at-risk and chronically homeless persons.
Objectives:
 - Ensure the integration and coordination of supportive services for persons who have special needs
 - Facilitate and improve inter-agency and inter-departmental integration of services and collaboration at the state level and between the state, subrecipients and CoC's.

Action Steps

- Participate in the Interagency Council on Homelessness meetings at the State and Federal level.
- Host joint CoC collaboration meeting
- Continually solicit feedback from stakeholders and use feedback to improve the program.
- Address the needs of eligible communities by funding street outreach, emergency shelter and transitional housing operations, and providing assistance to prevent

homelessness, including assistance to persons who are not homeless but who have other special needs; provide assistance for rapid re housing activities.

- Provide for a competitive process for all eligible activity types and available funds through a Notice of Funding Availability, application, and rating and ranking process. ESG will award application rating points based on factors including the number and accessibility of supportive services provided to clients, staff to client ratios, and client outcome measures.
- State Objective points may be awarded to provide a competitive advantage to programs which are assisting particular subpopulations, such as the chronically homeless; homeless veterans; and underserved counties may receive State objective points in 2012-13 funding.
- Monitoring efforts will be focused on programs with difficulties in meeting reporting requirements; low drawdown rates; and that have substantial staff turnover

ESG Written Standards

HUD requires the adoption of written standards for the administration of ESG funds. Subrecipients will be responsible to provide their written standards with their application to HCD. Each subrecipient's written standards are subject to Department approval, pursuant to HUD requirements at 24 CFR 576.400(e), before ESG funds can be expended. At a minimum the written standards will include the following:

ESG Written Standards Checklist

The written standards required in ESG must be established for each area covered by a Continuum of Care, or area over which the services are coordinated and followed by each subrecipient providing assistance in that area; or by each subrecipient and applied consistently within the subrecipient's program. Please attach and identify the written standards below to your application:

| | |
|--------------------------|--|
| <input type="checkbox"/> | i. Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG). The policies and procedures must be consistent with the recordkeeping requirements and definitions of "homeless" and "at-risk of homelessness" in the federal ESG regulations at: <u>24 CFR 576.2</u> and <u>24 CFR 576.500 (b-e)</u> . See pp. 75974-5, and 75990-92 of the federal regulations . (hyperlinked). |
| <input type="checkbox"/> | ii. Standards for targeting and providing essential services related to street outreach |
| <input type="checkbox"/> | iii. Policies and procedures for admission, diversion, referral, and discharge by emergency shelters assisted under ESG, including standards regarding length of stay, if any, and safeguards to meet the safety and shelter needs of special populations, <i>e.g.</i> , victims of domestic violence, dating violence, sexual assault, and stalking; and individuals and families who have the highest barriers to housing and are likely to be homeless the longest |
| <input type="checkbox"/> | iv. Policies and procedures for assessing, prioritizing, and reassessing individuals' and families' needs for essential services related to emergency shelter |
| <input type="checkbox"/> | v. Policies and procedures for coordination among emergency shelter providers, essential services providers, homelessness prevention, and rapid re-housing assistance providers; other homeless assistance providers; and mainstream service and housing providers. The required coordination may be done over an area covered by the Continuum of Care or a larger area. |
| <input type="checkbox"/> | vi. Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance. For homeless prevention, include the risk factors used to determine who is most in need of this assistance to avoid becoming homeless. |
| <input type="checkbox"/> | vii. Standards for determining what percentage or amount, (if any), of rent and utilities costs each program participant must pay while receiving homelessness prevention or rapid re-housing assistance. If the assistance will be based on a percentage of the participant's income, specify this percentage, and how income will be calculated. |
| <input type="checkbox"/> | viii. Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time. One-year lease required for project-based assistance. Annual participant evaluations required with rapid rehousing assistance; 3-month evaluations required with homeless prevention assistance. Individual assistance cannot exceed 24 months in a 3-year period. |
| <input type="checkbox"/> | ix. Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide to a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance. <u>Note:</u> ESG regulations limit this assistance to no more than 24 months in a 3-year period. Housing stability case management is limited as specified on pp. 75979-80 of the federal regulations (hyperlinked). |
| <input type="checkbox"/> | x. <i>Participation in HMIS.</i> The recipient must ensure that data on all persons served and all activities assisted under ESG are entered into the applicable community-wide HMIS in the area in which those persons and activities are located, or a comparable database, in accordance with HUD's standards on participation, data collection, and reporting under a local HMIS. |

Consultation with Continuums of Care (CoCs)

In February 2012, HCD staff held stakeholder meetings with CoC organizations within the eligible areas of the program, to discuss allocation of ESG funds; development of ESG performance standards and methods of evaluation; and funding policies and procedures for HMIS. Additionally, the State participates in regional CoC forums. There are 38 CoCs among ESG-eligible jurisdictions in California.

Stakeholder meetings revealed various coordinated assessment systems, including but not limited to “one stop shops”, coordinated case management team meetings on individual clients, and coordinated written information sources. Pursuant to 24 CFR 576.400 (d), once HUD promulgates requirements for a centralized assessment system the Department will work with local CoCs to ensure that this system is consistent with ESG written standards, including addressing the exception for victim service providers.

Generally, for the allocation of funds, performance standards, outcome evaluation, funding policies and procedures for the administration of HMIS stakeholder feedback included the following:

- Maintaining some sort of geographic distribution
- Rating and ranking like activities against one another
- Developing performance standards based on local program design and needs
- Reasonable funding limits on HMIS activities are acceptable provided subrecipients have the ability to request exceptions with justification as needed.

Performance Measurement

Each subrecipient is required to participate and collect their data using HMIS. The subrecipients on a quarterly and annual basis provide reports extracted from HMIS to the State. The State aggregates that data and submits information into the two federal reporting systems, E-SNAPS and IDIS. ESG also uses the IDIS performance measurement “availability/accessibility”. Additional performance measurements are discussed above in the Application Process and Rating Criteria.

Housing Opportunities for Persons with AIDS (HOPWA)

The California Department of Public Health, Center for Infectious Diseases, Office of AIDS (CDPH-OA) has grant administration responsibilities as the State of California HOPWA grantee.

Needs Statement

As of June 30, 2011, a total of 111,100¹ HIV/AIDS cases have been reported in California. Of these, 8,609 un-incarcerated persons living with HIV/AIDS (PLWH/A) were reported in those 42 counties served by the State HOPWA Program, which include 40 counties outside Eligible Metropolitan Statistical Areas (EMSAs) and the newly designated Bakersfield and Fresno EMSAs. According to the National AIDS Housing Coalition², half the people living with HIV/AIDS need some form of housing assistance. If we apply this percentage to the number of AIDS cases reported in the 42-county area served by the State HOPWA Program, there may be at least 4,304 persons that are homeless or at risk of homelessness.

Persons living with HIV/AIDS experience multiple barriers to housing stability. The most prevalent barrier is insufficient financial resources. Income data from HOPWA clients served by the State HOPWA Program in FY 2010-11 indicates 72 percent of renter and owner households had incomes between zero and 30 percent of area median income. Other conditions such as physical disabilities, developmental disabilities, mental illness and drug or alcohol abuse make day-to-day lives difficult. Additionally, persons living with HIV/AIDS often have poor credit history, criminal records, or are undocumented which also create additional barriers to securing affordable housing. Households are experiencing loss of housing due to foreclosure as well. The State HOPWA program will continue to fill the unmet and most urgent HIV/AIDS housing needs by providing housing assistance and supportive services as set forth in the planned goals below.

Counties conduct a periodic client needs assessment, and housing is always named as one of the top unmet needs. However, detailed housing needs data is not yet available for every jurisdiction. One method of identifying unmet need is through tracking of persons living with HIV/AIDS on waiting lists for tenant based rental assistance or short-term rent, mortgage and utility assistance (STRMU). Of the 25 contracting agencies, 12 reported having waiting lists as of June 30, 2011.

¹ California Department of Public Health, Office of AIDS website:
<http://www.cdph.ca.gov/data/statistics/Pages/OAHIVAIDSStatistics.aspx>.

² www.nationalaidshousing.org

Unmet Housing Need / June 30, 2011

| | |
|---|------------|
| Tenant Based Rental Assistance | 62 |
| Short Term Rent, Mortgage and Utility Assistance (STRMU) | 250 |
| Facility Based Housing | 4 |
| Total Unmet HIV/AIDS Housing Needs | 316 |

Goals and Objectives

The purpose of the HOPWA Program is to devise long-term comprehensive strategies to meet the housing needs of persons living with HIV/AIDS or related diseases, and their families. To meet the most urgent needs of persons living with HIV/AIDS, the following goals have been established for the HOPWA Program during 2012-13:

- Allocate HOPWA funds in a manner that ensures all non-EMSA counties are able to meet the most urgent HIV/AIDS housing needs of the clients within their community and in turn alleviate or prevent homelessness among persons living with HIV/AIDS.
- Assist sponsors in establishing linkages with other mainstream resources (e.g. housing authorities, local Continuum-of-Care groups, homeless service agencies) through technical assistance and other HOPWA resources.

Based on prior year data and similar funding levels, it is anticipated that the following goals can be met:

| | HOPWA Performance Chart 1 | HOPWA Assistance | Non- HOPWA Assisted |
|---|--|-----------------------------|------------------------------------|
| | Housing Assistance Subsidies | | |
| 1 | Tenant-based rental assistance | 97 | 100 |
| 2 | Households in permanent housing facilities receiving operating subsidies/leased units | 0 | 25 |
| 3 | Households in transitional/short term housing facilities that receive operating subsidies/leased units (includes Hotel/Motel Voucher Assistance) | 148 | 50 |
| 4 | Units in facilities developed with capital funds and placed in service during the program year (Number of households supported) | 0 | 0 |
| 5 | Short-term rent, mortgage and utility assistance (STRMU) | 1,145 | 200 |
| 6 | Permanent housing placement | 73 | |
| | Total Housing Subsidy Assistance | 1,463 | 241 |
| | Housing Development (Construction And Stewardship Of Facility Based Housing) | | |
| 7 | Units in Permanent housing facilities being developed with capital funding but not yet opened (show units of housing planned) | 0 | |
| 8 | Stewardship (developed with HOPWA but no current operation) | 2 | |

| | | | |
|----------------------------------|---|-------|--|
| | or other costs) Units of housing subject to 3 or 10 year use agreements | | |
| Total Housing Developed | | 2 | |
| | Supportive Services | | |
| 9 | i) Supportive Services in conjunction with HOPWA activities | 1,785 | |
| | ii) Supportive Services NOT in conjunction with HOPWA activities | 0 | |
| Total Supportive Services | | 1,785 | |
| 10 | Housing Information Services | 899 | |

Performance Measurement

For all housing assistance activities, the HOPWA Program will use “Providing Decent Housing” as the primary objective and “Improving Affordability” will be the primary outcome measurement. For supportive services activities in conjunction with housing assistance, the HOPWA Program will use “Providing Decent Housing” as the primary objective and “Availability/Accessibility” will be the primary outcome measurement.

HOPWA specific outcomes to be measured are the degree to which HOPWA-assisted households have been enabled to:

- Establish or better maintain a stable living environment;
- Improve access to care and support; and
- Reduce the risk of homelessness.

Leveraged Funds

The provision of HIV/AIDS services requires collaborative efforts from a variety of resources. On an annual basis, CDPH-OA allocates funding to counties within the HOPWA State Grantee jurisdictions for HIV/AIDS prevention, treatment and care services including, but not limited to, AIDS drug assistance and other core medical and supportive services. HOPWA project sponsors receive funding through the non-HOPWA CDPH-OA programs for many of these activities. Based on reported leveraged funds in FY 2010-11, CDPH-OA anticipates projects sponsors will leverage funds from CDPH-OA as well as other private, local, State and federal resources totaling approximately \$4.2 million.

Availability of Funds and Method of Distribution

All funds, including the FY 2012-13 grant and any prior-year unspent or returned funds, will be allocated to the 40 counties outside the EMSAs through a non-competitive formula allocation process.

In FY 2011-12 CDPH-OA modified its allocation formula to include reported HIV and AIDS cases and exclude cases reported from prisons. Counties that experienced a significant decrease in their allocation will be held harmless to a percentage of prior year funding levels.

The total county allocation amount is determined by the FY 2012-13 HUD grant allocation less the allowable HOPWA grantee administrative fee plus any uncommitted funds from prior year as identified in the HUD Integrated Disbursement and Information System (IDIS).

In FY 2007-08, the City of Bakersfield became an eligible HOPWA grantee for Kern EMSA, and Fresno was recently designated an eligible HOPWA Grantee for the Fresno EMSA. Both Bakersfield and Fresno requested that the State assume the HOPWA grantee responsibilities. Before the beginning of FY 2012-13 the State will enter into tri-party agreements with HUD and Bakersfield, and HUD and Fresno. The HUD allocations designated for Kern EMSA and Fresno EMSA will be dedicated to Kern and Fresno, respectively, and not included in the formula allocation process. Any unspent funds from the prior year grant for Kern or Fresno will be carried forward to FY 2012-13 for eligible HOPWA housing assistance activities in Kern or Fresno County respectively.

In order to provide consistency among its HIV/AIDS programs as well as reduce administrative burden, CDPH-OA contracts for a three-year period with its Contractors, including those providing HOPWA assistance. Contracts are amended annually to reflect adjustments to the HOPWA allocations. As a matter of our compliance with grantee administrative responsibilities (24 CFR 574.500 and 24 CFR 85.40), OA may from time to time select a new project sponsor to ensure that services are consistent with local need or as a result of a contract cancellation or non-performance of a sponsor. In this event OA will solicit applicants through a Request for Applications process for the effected county or counties.

Beginning in FY 2012-13, CDPH-OA will no longer contract with local health agencies acting solely as administrative partners of the HOPWA program. This change affects the method of service delivery in the following seven counties: Imperial, Napa, San Luis Obispo, Santa Barbara, Santa Cruz, Solano and Tulare. To prevent disruption in existing HOPWA services, CDPH-OA will contract directly with the service agency or agencies currently providing HOPWA services in those jurisdictions through FY 2012-13.

A list of HOPWA eligible jurisdictions is in Appendix A. The following chart lists the HOPWA contractors and their service areas.

| Contractor Name | HOPWA Service Area (by county) |
|---|---|
| Caring Choices | Butte, Colusa, Glenn, Shasta, Sutter, Tehama, Trinity, Yuba |
| Face to Face/Sonoma County AIDS Network (nonprofit, NP) | Sonoma County |
| Central Coast HIV/AIDS Services, NP | Monterey County |
| Community Care Management Corporation, NP | Lake County |
| Del Norte County (Public Health, PH) | Del Norte County |
| Fresno County, PH | Fresno County |
| Humboldt County, PH | Humboldt County |
| Imperial County, PH | Imperial County |
| Kings County, PH | Kings County |
| Kern County, PH | Kern County |
| Madera County, PH | Madera & Mariposa Counties |
| Mendocino County AIDS Volunteer | Mendocino County |

| | |
|---|---|
| Network, NP | |
| Merced County Community Action Agency, NP | Merced County |
| Queen of the Valley Medical Center, NP | Napa County |
| Nevada County, PH | Nevada County |
| Plumas County, PH | Lassen, Modoc, Plumas, Sierra, Siskiyou |
| San Joaquin County, PH | San Joaquin County |
| San Luis Obispo County AIDS Support Network, NP | San Luis Obispo County |
| AIDS Housing Santa Barbara, NP | Santa Barbara County |
| Pacific Pride Foundation, NP | Santa Barbara County |
| Santa Cruz County Community Counseling Center, NP | Santa Cruz County |
| Sierra HOPE, NP | Alpine, Amador, Calaveras, Inyo, Mono, Tuolumne |
| Planned Parenthood – Shasta-Pacific, NP | Solano County |
| Stanislaus Community Assistance Project, NP | Stanislaus County |
| Family Services of Tulare County, NP | Tulare County |
| Ventura County, PH | Ventura County |

Program Activities

Based on local HIV/AIDS housing and supportive service needs assessments, each locality will determine the HOPWA activities to be funded and the amount of funds from its allocation to be applied toward each selected activity. HOPWA contractors should allocate funds to activities that will assist clients in achieving housing stability and meet unmet needs. Through an application process, CDPH-OA will evaluate and approve those activities prior to the beginning of each program year.

Tenant Based Rental Assistance. Project Sponsors are encouraged to establish a tenant-based rental assistance program if their HOPWA allocation is sufficient to operate this type of activity, and there is evidence of a need for rental subsidies in their HIV/AIDS community. The rent standards to be used are those approved by each of the local public housing authorities for the area.

Emergency Short-Term Rent, Mortgage and Utility Assistance (STRMU): It is anticipated that STRMU will be made available to persons living with HIV/AIDS in all 42 counties. In accordance with 24 CFR 574, STRMU assistance may be provided to eligible households for a period of 21 weeks out of any 52-week period. CDPH-OA has defined the 52-week period based on the program year of July 1 – June 30. Agencies will track the 21 weeks using calendar days of assistance. CDPH-OA has established the following uniform guidelines for those counties wishing to impose caps:

1. At a minimum, the annual per-household STRMU amount should be equivalent to at least one month's HUD Fair Market Rent for a one-bedroom unit for the jurisdiction where the household resides. A per-household utility assistance cap should not be

less than the current Utility Allowances published by the local housing authority.

2. The household's on-going housing needs are assessed or will be assessed in connection with the development of an individual housing service plan for the household. The level of assistance is based on the assessed housing need.
3. The time limitation or cap on funds will be sufficient to avoid any continuing household housing crisis.
4. The assistance will be for actual costs.
5. Other resources, such as household income, are not reasonably available to address the unmet housing need.
6. Any process for waiving a cap or limitation must be expressed in writing and implemented in a uniform manner to all clients assisted.

Facility Based Housing Operations. This activity includes project-based rental assistance, operating subsidies for HIV/AIDS supportive housing facilities, permanent, transitional or emergency housing, and hotel/motel voucher assistance.

Housing Placement Assistance. This includes housing placement activities such as first month's rent, security deposit assistance, credit checks and utility hook-up deposits.

Housing Information Services. This includes housing information, outreach and referral services.

Supportive Services. This activity includes case management, transportation vouchers, nutritional services, benefits counseling, substance abuse or mental health counseling, personal assistance, life skills management, job training, consumer credit counseling and other services if approved by CDPH-OA.

All households receiving HOPWA housing assistance must be provided with appropriate supportive services. Supportive services may be funded through other resources or through linkage to other programs. HOPWA funds may also be used but should be limited.

CDPH-OA policy requires that not more than 25 percent of a HOPWA contractor's annual HOPWA allocation can be used for supportive services. CDPH-OA will allow a waiver of the 25 percent cap if an increase in supportive services will help clients overcome barriers to stable housing (e.g., more intense case management, mental health or alcohol and substance abuse treatment, consumer credit counseling, job training, etc.).

Eligible Applicants

As defined by Title 24, CFR, Part 574.3, a "project sponsor" must be a nonprofit organization or a "governmental housing agency" which engages in housing activities as an established function of that agency. It was established early on in the HOPWA program that most county health agencies carry out sufficient housing related activities to

qualify as HOPWA “project sponsors.” If a project sponsor elects to contract with a local housing or HIV/AIDS service provider to perform a particular HOPWA activity, the project sponsor is required to solicit through their local procurement process to ensure full access to all grassroots, faith-based and community-based organizations and governmental housing agencies.

Partnering with local health departments to act as fiscal agents has been an efficient collaborative method of administering the HOPWA grant over the 42-county area; however, CDPH-OA received clarification from HUD Office of AIDS in Washington, DC that agencies selected to assist the grantee (CDPH-OA) in administering the HOPWA grant are subject to the allowable three percent grantee administrative fee cost limit and are not eligible for the project sponsor administrative fee of seven percent. This clarification resulted in the changes discussed in a previous section of this plan.

It is anticipated that Kern County Health Department and Fresno County Health Department will continue as project sponsors/fiscal agents for Kern County and Fresno County for FY 2012-13.

Coordination of Efforts and Community Input

CDPH-OA has the lead responsibility for coordinating State programs, services and activities related to HIV/AIDS. CDPH-OA emphasizes the integration of representatives of HIV/AIDS service agencies, other State departments (such as Corrections, Housing, Rehabilitation, Mental Health, Developmental Services and Alcohol and Drug Programs), local health departments, university-wide AIDS Research Program (University of California San Francisco), and others in information gathering, research and decision making processes.

Additionally, CDPH-OA requires that local planning or advisory groups be formed to include representatives of HIV/AIDS service agencies, health department representatives, local affordable housing and homeless agencies, representatives of the post-incarcerated populations, agencies addressing the needs of the mentally ill, substance abusing or other disabled populations and consumers. These groups are charged with informing agencies about local HIV service delivery plans and addressing the need for linking care and treatment service agencies with other agencies and clinics providing services to the same population. HOPWA contractors should participate in the local HIV planning and service delivery process to the extent possible.

Project sponsors are encouraged to participate in their local Continuum of Care planning process to ensure that the HIV/AIDS population is represented during the planning process. CDPH-OA will provide counties with contact information and assist them in establishing relationships with the Continuum of Care Planning group in their community. Sponsors serving PLWH/A that target the homeless population must participate in their local Homeless Management Information System (HMIS). Those agencies that target persons living with HIV/AIDS and that may assist homeless persons living with HIV/AIDS are encouraged to participate in the local HMIS as well.

Monitoring and Program Improvement Activities

CDPH-OA will continue on-site monitoring visits to its project sponsors and their subcontracting service agencies to ensure compliance with HOPWA Regulations, federal overlays, and CDPH-OA contractual obligations.

CDPH-OA has revised its progress reports to reflect revisions made to the HOPWA Consolidated Annual Performance and Evaluation Report (CAPER) forms released in January, 2012, and the federal Integrated Disbursement and Information System (IDIS) reporting requirements. The State's AIDS Regional Information and Evaluation System (ARIES) includes a HOPWA reporting component which will be updated to correspond with the CAPER reporting forms. HOPWA project sponsors will receive training through a webinar on the new reporting format.

Continuous monitoring and technical assistance will be provided through telephone communication, quarterly reports, monthly expenditure reviews, and management memoranda.

Lead Based Paint Hazard Control Program (LHCP)

Funding Allocation

The State Department of Community Services and Development (CSD) is the administrative agency for LHCP. In February 2009, CSD received a 36-month, \$3 million ARRA Lead Hazard Control Grant from HUD under Round 15. This grant ended April 14, 2012. In March 2012, HUD announced an award of \$2.3 million to CSD for a new 36-month program (Round 18) to provide lead hazard reduction services to 150 privately-owned housing units. For Round 18, CSD will partner with its four current Community-Based Organizations (CBOs) and add Fresno County Economic Opportunities Commission (EOC) to the program.

Housing units are eligible for services if they meet income eligibility (occupied by low- or moderate-income families), have children under the age of six, have children that spend a significant amount of time in the home, or have children with elevated blood lead levels.

Lead hazard control services will be provided in conjunction with weatherization services funded by U.S. Department of Energy Weatherization Assistance Program and Low-Income Home Energy Assistance Program weatherization services. The strategy combines the benefits of weatherization and minor home repair services with CSD's LHCP.

In response to the need to reduce lead-based paint hazards in pre-1979 low-income privately-owned housing, CSD has and will continue to work in partnership with other State and local agencies, as well as community-based organizations.

Funding Procedures

Under the original LHCP grant proposal CSD planned to partner with four CBOs from its weatherization network to deliver hazard control services. Unfortunately, new Davis Bacon prevailing wage requirements forced Fresno County EOC to withdraw from the program because of the organization's inability to issue prevailing wages to its youth corps members. With EOC's withdrawal, negotiations began with Community Resources Project to partner once again with CSD. Maravilla Foundation withdrew early in the program, but at CSD's request rejoined the program to assist with program shortfalls.

Due to the critical funding timelines for Round 15 (50 percent had to be expended by April 2011, 95 percent by December 2011 and 100 percent by April 2012), and CSD's delayed spending authority approval, CSD redistributed funds to the CBOs to ensure all major funding timelines were met. Because of these strategies, CSD successfully expended 50 and 95 percent of grant funds before the respective deadlines, and foresees no obstacles to fully expending the grant by the April 2012 termination date.

As outlined in the chart below, CSD partners with four nonprofit CBO's to provide LHCP services in seven counties throughout the state.

| CBO | COUNTIES | UNIT GOAL | ALLOCATIONS |
|--|--|-----------|-------------|
| Community Resource Project | Sacramento, San Joaquin, Sutter and Yuba | 25 | \$357,218 |
| Maravilla Foundation | Los Angeles | 30 | \$459,382 |
| Redwood Community Action Agency | Humboldt | 45 | \$518,664 |
| Community Action Partnership of San Bernardino | San Bernardino | 110 | \$1,234,736 |

In addition, the California Department of Public Health (CDPH) receives annual funding from the federal Environmental Protection Agency (EPA) to implement effective compliance and enforcement of the Lead-Related Construction Program, develop and distribute outreach and education materials, and evaluate and monitor childhood lead exposure.

Monitoring

CSD monitoring activities include review and approval of lead-based paint inspection and risk assessment reports, project design and cost estimates, desk reviews, and periodic field visits to supervise work activities.

Five-Year Lead Hazard Control Objectives

Action to reduce or eliminate lead-based paint hazards in the operation of State housing programs include the following:

- CSD will implement the ARRA-funded Round 15 as described above. CSD will seek out opportunities to diversify funding opportunities to sustain the program.
- CSD will partner with the California Healthy Homes Coalition to develop a statewide coalition to address healthy homes policy and programs.
- CSD will partner with the California Department of Public Health (CDPH) to develop a quality assurance program to assess participating CBO's compliance with applicable State, federal and local laws.
- CSD will monitor the performance of its network of lead protection providers to assure compliance with lead-safe work practices as outlined in HUD's Title X, Davis Bacon State prevailing wages, EPA, OSHA, CSD's Weatherization Installation Standards Manual, and Policies and Procedures.
- CDPH will continue to implement Title 17, CCR, to govern accreditation and certification of the lead hazard control industry and lead hazard control work.

- CDPH will continue to compile information, identify target areas, and analyze information to design and implement a program of medical follow-up and environmental abatement to reduce childhood lead exposure.
- CDPH will continue to provide outreach to the public on lead hazard avoidance (especially for at-risk children) in order to reduce lead exposure in housing.

Certifications

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential anti-displacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under

subparagraph 4(b), with respect to any employee who is so convicted -

- (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

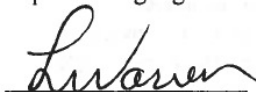
Anti-Lobbying -- To the best of the State's knowledge and belief:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- 3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

 3/21/12
Signature/Authorized Official Date
Director
Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 199_ , __, and __. (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. Special Assessments. The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

L. Warren 3/21/12
Signature/Authorized Official Date

Director
Title

Specific HOME Certifications

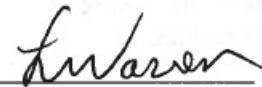
The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

 3/21/12
Signature/Authorized Official Date

Director
Title

ESG Certifications

Each State that seeks funding under the Emergency Solutions Grants Program must provide the following certifications:

Matching Funds – The State will obtain any matching amounts required under 24 CFR 576.201 in a manner so that its subrecipients that are least capable of providing matching amounts receive the benefit of the exception under 24 CFR 576.201(a)(2).

Discharge Policy – The State will establish and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, mental health facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent this discharge from immediately resulting in homelessness for these persons.

Confidentiality – The State will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project, except with the written authorization of the person responsible for the operation of that shelter.

The State will ensure that its subrecipients comply with the following criteria:

Major rehabilitation/conversion – If an emergency shelter's rehabilitation costs exceed 75 percent of the value of the building before rehabilitation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed rehabilitation. If the cost to convert a building into an emergency shelter exceeds 75 percent of the value of the building after conversion, the building will be maintained as a shelter for homeless individuals and families for a minimum of 10 years after the date the building is first occupied by a homeless individual or family after the completed conversion. In all other cases where ESG funds are used for renovation, the building will be maintained as a shelter for homeless individuals and families for a minimum of 3 years after the date the building is first occupied by a homeless individual or family after the completed renovation.

Essential Services and Operating Costs – If ESG funds are used for shelter operations or essential services related to street outreach or emergency shelter, the subrecipient will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure, so long the applicant serves the same type of persons (e.g., families with children, unaccompanied youth, veterans, disabled individuals, or victims of domestic violence) or persons in the same geographic area.

Renovation – Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services – The subrecipient will assist homeless individuals in obtaining permanent housing, appropriate supportive services (including medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living), and other Federal, State, local, and private assistance available for such individuals.

Homeless Persons Involvement – To the maximum extent practicable, the subrecipient will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities, in providing services assisted under the ESG program, and in providing services for occupants of facilities assisted ESG.

Consolidated Plan – All activities the subrecipient undertakes with assistance under ESG are consistent with the State's current HUD-approved consolidated plan.



Signature/Authorized Official

3/21/12

Date

Director

Title
Signature/Authorized Official Date

Title

HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

 3/21/12
Signature/Authorized Official Date

Director
Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

Check ☐ if there are workplaces on file that are not identified here;

This information with regard to the drug-free workplace required by 24 CFR part 21.

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Appendices

Appendix A

Eligible Jurisdictions for CDBG, HOME, ESG, HOPWA

| Eligible Jurisdictions by Program 2012-13 This table is subject to change. (Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update) | | | | |
|--|---|---|---|------------------------|
| | CDBG | HOME | ESG | HOPWA |
| Alameda | None | None | County not Eligible Alameda (city) Fremont Hayward Livermore Pleasanton San Leandro Union City | None |
| Alpine | Alpine County | Alpine County | Entire County Eligible | Entire County Eligible |
| Amador | Amador County Amador City Ione Jackson Plymouth Sutter Creek | Amador County Amador City Ione Jackson Plymouth Sutter Creek | Entire County Eligible | Entire County Eligible |
| Butte | Butte County Biggs Gridley Oroville | Butte County Biggs Gridley Oroville Paradise | Entire County Eligible | Entire County Eligible |
| Calaveras | Calaveras County Angels Camp | Calaveras County Angels Camp | Entire County Eligible | Entire County Eligible |
| Colusa | Colusa County Colusa Williams | Colusa County Colusa Williams | Entire County Eligible | Entire County Eligible |
| Contra Costa | None | None | County not Eligible. Antioch Concord Pittsburg Richmond San Ramon Village Walnut Creek | None |
| Del Norte | Del Norte County Crescent City | Del Norte County Crescent City | Entire County Eligible | Entire County Eligible |

Eligible Jurisdictions by Program 2012-13

This table is subject to change.

(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

| | CDBG | HOME | ESG | HOPWA |
|------------------|--|---|--|------------------------|
| El Dorado | El Dorado County Placerville South Lake Tahoe | El Dorado County Placerville South Lake Tahoe | Entire County Eligible | None |
| Fresno | County not eligible Coalinga Firebaugh Fowler Huron Orange Cove Parlier San Joaquin | County not eligible Clovis Firebaugh Huron Orange Cove Parlier San Joaquin | County not Eligible Clovis Firebaugh Huron Orange Cove Parlier San Joaquin | Entire County Eligible |
| Glenn | Glenn County Orland Willows | Glenn County Orland Willows | Entire County Eligible | Entire County Eligible |
| Humboldt | Humboldt County Arcata Blue Lake Eureka Ferndale Fortuna Rio Dell Trinidad | Humboldt County Arcata Blue Lake Eureka Ferndale Fortuna Rio Dell Trinidad | Entire County Eligible | Entire County Eligible |
| Imperial | Imperial County Brawley Calexico Calipatria El Centro (<i>eligible for Colonias Allocation only</i>) Holtville Imperial Westmorland | Imperial County Brawley Calexico Calipatria El Centro Holtville Imperial Westmorland | Entire County Eligible | Entire County Eligible |
| Inyo | Inyo County Bishop | Inyo County Bishop | Entire County Eligible | Entire County Eligible |
| Kern | County not Eligible. Delano Maricopa Taft Wasco | County not Eligible. Delano Maricopa Taft Wasco | County not Eligible. Delano Maricopa Taft Wasco | Entire County Eligible |
| Kings | Kings County Avenal Corcoran Lemoore | Kings County Avenal Corcoran Hanford Lemoore | Entire County Eligible | Entire County Eligible |
| Lake | Lake County Clearlake Lakeport | Lake County Clearlake Lakeport | Entire County Eligible | Entire County Eligible |
| Lassen | Lassen County Susanville | Lassen County Susanville | Entire County Eligible | Entire County Eligible |

Eligible Jurisdictions by Program 2012-13

This table is subject to change.

(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

| | CDBG | HOME | ESG | HOPWA |
|--------------------|---|---|---|------------------------|
| Los Angeles | County not Eligible. Avalon Artesia Hidden Hills Industry Palos Verdes Estates Vernon | County not Eligible. Artesia Avalon Carson Gardena Glendora Hidden Hills Industry Lakewood Lancaster Palos Verdes Estates Pico Rivera Redondo Beach Santa Clarita Torrance Vernon West Covina | County not Eligible. Alhambra Artesia Baldwin Park Bellflower Burbank Carson Downey Gardena Glendora Hawthorne Hidden Hills Huntington Park Industry La Canada Flintridge Lakewood Lancaster Lynwood Montebello Monterey Park Norwalk Palmdale Palos Verdes Estates Paramount City Pico Rivera Redondo Beach Rosemead Santa Clarita Santa Monica Torrance Vernon West Covina Whittier | None |
| Madera | Madera County Chowchilla | Madera County Chowchilla Madera | Entire County Eligible | Entire County Eligible |
| Marin | None | None | Entire County Eligible | None |
| Mariposa | Mariposa County | Mariposa County | Entire County Eligible | Entire County Eligible |
| Mendocino | Mendocino County Fort Bragg Point Arena Ukiah Willits | Mendocino County Fort Bragg Point Arena Ukiah Willits | Entire County Eligible | Entire County Eligible |

Eligible Jurisdictions by Program 2012-13

This table is subject to change.

(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

| | CDBG | HOME | ESG | HOPWA |
|-----------------|---|--|---|------------------------|
| Merced | Merced County Atwater Dos Palos Gustine Livingston Los Banos | Merced County Atwater Dos Palos Gustine Livingston Los Banos | Entire County Eligible | Entire County Eligible |
| Modoc | Modoc County Alturas | Modoc County Alturas | Entire County Eligible | Entire County Eligible |
| Mono | Mono County Mammoth Lakes | Mono County Mammoth Lakes | Entire County Eligible | Entire County Eligible |
| Monterey | Monterey County Carmel Del Rey Oaks Gonzales Greenfield King City Marina Pacific Grove Sand City Soledad | Monterey County Carmel Del Rey Oaks Gonzales Greenfield King City Marina Monterey Pacific Grove Sand City Seaside Soledad | Monterey County and all jurisdictions eligible except for Salinas | Entire County Eligible |
| Napa | Napa County American Canyon Calistoga St. Helena Yountville | Napa County American Canyon Calistoga Napa St. Helena Yountville | Entire County Eligible | Entire County Eligible |
| Nevada | Nevada County Grass Valley Nevada City Truckee | Nevada County Grass Valley Nevada City Truckee | Entire County Eligible | Entire County Eligible |

Eligible Jurisdictions by Program 2012-13

This table is subject to change.

(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

| | CDBG | HOME | ESG | HOPWA |
|-------------------|--|---|--|------------------------|
| Orange | County not Eligible San Juan Capistrano | County not Eligible Buena Park Fountain Valley La Habra Laguna Niguel Lake Forest Mission Viejo Newport Beach Rancho Santa Margarita San Clemente San Juan Capistrano Tustin | County not Eligible Buena Park Costa Mesa Fountain Valley Fullerton Huntington Beach Irvine La Habra Laguna Niguel Lake Forest Mission Viejo Newport Beach Orange (city) Rancho Santa Margarita San Clemente San Juan Capistrano Tustin Westminster | None |
| Placer | Placer County Auburn Colfax Lincoln Loomis | Placer County Auburn Colfax Lincoln Loomis Rocklin Roseville | Entire County Eligible | None |
| Plumas | Plumas County Portola | Plumas County Portola | Entire County Eligible | Entire County Eligible |
| Riverside | County not Eligible Calimesa Indian Wells Rancho Mirage | County not Eligible Calimesa Coachella Hemet Indian Wells Indio Palm Desert Palm Springs Perris Rancho Mirage | County not Eligible Calimesa Coachella Corona Hemet Indian Wells Moreno Valley Palm Desert Palm Springs Rancho Mirage | None |
| Sacramento | None | County not eligible Elk Grove Rancho Cordova | County not Eligible Citrus Heights Elk Grove Rancho Cordova | None |
| San Benito | San Benito County Hollister San Juan Bautista | San Benito County Hollister San Juan Bautista | Entire County Eligible | None |

Eligible Jurisdictions by Program 2012-13

This table is subject to change.

(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

| | CDBG | HOME | ESG | HOPWA |
|------------------------|---|--|---|---------------------------|
| San Bernardino | None | County Not Eligible Chino Hesperia Redlands Upland | County not Eligible Apple Valley Chino Chino Hills Hesperia Rancho Cucamonga Rialto Upland Victorville | None |
| San Diego | None | None | County not Eligible Carlsbad El Cajon Encinitas Escondido La Mesa National City Oceanside San Marcos Santee Vista | None |
| San Francisco | None | None | None | None |
| San Joaquin | None | County not eligible Lodi | None | Entire County Eligible |
| San Luis Obispo | County not Eligible Pismo Beach Morro Bay | County not Eligible Pismo Beach Morro Bay | County not Eligible Morro Bay Pismo Beach | Entire County Eligible |
| San Mateo | None | None | County not Eligible Daly City Redwood City San Mateo (city) South San Francisco | None |
| Santa Barbara | Guadalupe | County not Eligible Guadalupe | County not Eligible Goleta Guadalupe Santa Barbara (city) Santa Maria | Entire County Eligible |
| Santa Clara | None | County not Eligible Gilroy Cupertino City Milpitas Palo Alto | Santa Clara County and all jurisdictions eligible <u>except</u> for San Jose | None |
| Santa Cruz | Santa Cruz County Capitola Scotts Valley | Santa Cruz County Capitola Scotts Valley Watsonville | Entire County Eligible | Entire County Eligible |

Eligible Jurisdictions by Program 2012-13

This table is subject to change.

(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

| | CDBG | HOME | ESG | HOPWA |
|-------------------|--|--|---|------------------------|
| Shasta | Shasta County Anderson Shasta Lake | Shasta County Anderson Shasta Lake | Entire County Eligible | Entire County Eligible |
| Sierra | Sierra County Loyalton | Sierra County Loyalton | Entire County Eligible | Entire County Eligible |
| Siskiyou | Siskiyou County Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka | Siskiyou County Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka | Entire County Eligible | Entire County Eligible |
| Solano | Solano County Benicia Dixon Rio Vista Suisun City | Solano County Benicia Dixon Fairfield Rio Vista Suisun City Vacaville | Entire County Eligible | Entire County Eligible |
| Sonoma | None | County not Eligible Petaluma | County not Eligible Petaluma Santa Rosa | Entire County Eligible |
| Stanislaus | County not Eligible Hughson Riverbank | County not Eligible Hughson Riverbank | County not Eligible Riverbank Turlock | Entire County Eligible |
| Sutter | Sutter County Live Oak | Sutter County Live Oak Yuba City | Entire County Eligible | Entire County Eligible |
| Tehama | Tehama County Corning Red Bluff Tehama | Tehama County Corning Red Bluff Tehama | Entire County Eligible | Entire County Eligible |
| Trinity | Trinity County | Trinity County | Entire County Eligible | Entire County Eligible |
| Tulare | Tulare County Dinuba Exeter Farmersville Lindsay Woodlake | Tulare County Dinuba Exeter Farmersville Lindsay Porterville Tulare Woodlake | Entire County Eligible | Entire County Eligible |

Eligible Jurisdictions by Program 2012-13

This table is subject to change.

(Any such changes will be reflected in program NOFAs and updated in the next Annual Plan Update)

| | CDBG | HOME | ESG | HOPWA |
|-----------------|---|--|--|---------------------------|
| Tuolumne | Tuolumne County Sonora | Tuolumne County Sonora | Entire County Eligible | Entire County Eligible |
| Ventura | None | County not Eligible Camarillo Simi Valley Thousand Oaks | County not Eligible Camarillo San Buenaventura Simi Valley Thousand Oaks | Entire County Eligible |
| Yolo | Yolo County West Sacramento Winters | Yolo County West Sacramento Winters Woodland | Entire County Eligible | None |
| Yuba | Yuba County Wheatland | Yuba County Marysville Wheatland | Entire County Eligible | Entire County Eligible |

| |
|---|
| <p style="text-align: center;">Appendix B</p> <p style="text-align: center;">Eligible Jurisdictions for DRI/DREF, 2012-13</p> |
|---|

| County | |
|---------------------|-----------------------|
| | DRI/DREF |
| Alameda | None |
| Alpine | None |
| Amador | None |
| Butte | County and All Cities |
| Calaveras | None |
| Colusa | None |
| Contra Costa | None |
| Del Norte | None |
| El Dorado | None |
| Fresno | None |
| Glenn | None |

| County | |
|--------------------|-----------------------|
| | DRI/DREF |
| Humboldt | None |
| Imperial | None |
| Inyo | None |
| Kern | County and All Cities |
| Kings | None |
| Lake | None |
| Lassen | None |
| Los Angeles | County and All Cities |
| Madera | None |
| Marin | None |
| Mariposa | Mariposa County |
| Mendocino | County and All Cities |
| Merced | None |
| Modoc | None |
| Mono | None |
| Monterey | County and All Cities |
| Napa | None |
| Nevada | None |
| Orange | County and All Cities |

| County | |
|------------------------|--------------------------|
| | DRI/DREF |
| Placer | None |
| Plumas | Plumas County Portola |
| Riverside | County and All Cities |
| Sacramento | None |
| San Benito | None |
| San Bernardino | None |
| San Diego | None |
| San Francisco | None |
| San Joaquin | None |
| San Luis Obispo | None |
| San Mateo | None |

| County | |
|----------------------|------------------------|
| | DRI/DREF |
| Santa Barbara | County and All Cities |
| Santa Clara | County and All Cities |
| Santa Cruz | County and All Cities |
| Shasta | County and All Cities |
| Sierra | None |
| Siskiyou | None |
| Solano | None |
| Sonoma | None |
| Stanislaus | None |
| Sutter | None |
| Tehama | None |
| Trinity | Entire County Eligible |
| Tulare | None |
| Tuolumne | None |

| County | |
|---|--------------------------------------|
| | DRI/DREF |
| Ventura | None |
| Yolo | None |
| Yuba | None |
| Eligible Native American Tribe DRI/DREF only | Hoopa Valley Tribe |
| Eligible Native American Tribe DRI/DREF only | Yurok Tribe of the Yurok Reservation |

*All cities and counties and non-profits are eligible in accordance with Substantial Amendment 2 of the Con Plan 2008 Action Plan

Appendix C

CDBG, HOME and ESG Eligible Jurisdictions by Population

| County | Cities or Unincorporated County Areas | CDBG | Eligible for HOME | ESG | 2000 Population | 2010 Population | Population Increase | Population Change % |
|--------------|---|------|----------------------|-----|--------------------|--------------------|------------------------|------------------------|
| Alameda | Alameda (city) | | | ESG | 72,259 | 75,409 | 3,150 | 4.36% |
| Alameda | Fremont | | | ESG | 203,413 | 218,128 | 14,715 | 7.23% |
| Alameda | Hayward | | | ESG | 140,030 | 153,104 | 13,074 | 9.34% |
| Alameda | Livermore | | | ESG | 73,464 | 85,312 | 11,848 | 16.13% |
| Alameda | Pleasanton | | | ESG | 63,654 | 70,711 | 7,057 | 11.09% |
| Alameda | San Leandro | | | ESG | 79,452 | 83,183 | 3,731 | 4.70% |
| Alameda | Union City | | | ESG | 66,869 | 75,054 | 8,185 | 12.24% |
| Alpine | Alpine County | CDBG | HOME | ESG | 1,208 | 1,189 | -19 | -1.57% |
| Amador | Amador (city) | CDBG | HOME | ESG | 196 | 208 | 12 | 6.12% |
| Amador | Amador County | CDBG | HOME | | 20,503 | 22,110 | 1,607 | 7.84% |
| Amador | Ione | CDBG | HOME | | 7,129 | 7,707 | 578 | 8.11% |
| Amador | Jackson | CDBG | HOME | | 3,989 | 4,304 | 315 | 7.90% |
| Amador | Plymouth | CDBG | HOME | | 980 | 1,027 | 47 | 4.80% |
| Amador | Sutter Creek | CDBG | HOME | | 2,303 | 2,666 | 363 | 15.76% |
| Butte | Biggs | CDBG | HOME | | 1,793 | 1,787 | -6 | -0.33% |
| Butte | Butte County | CDBG | HOME | ESG | 96,042 | 84,302 | -11,740 | -12.22% |
| Butte | Gridley | CDBG | HOME | | 5,408 | 6,454 | 1,046 | 19.34% |
| Butte | Oroville | CDBG | HOME | | 13,004 | 14,687 | 1,683 | 12.94% |
| Butte | Paradise | | HOME | | 26,408 | 26,310 | -98 | -0.37% |
| Calaveras | Angels Camp | CDBG | HOME | | 3,004 | 3,549 | 545 | 18.14% |
| Calaveras | Calaveras County | CDBG | HOME | ESG | 37,550 | 42,321 | 4,771 | 12.71% |
| Colusa | Colusa (city) | CDBG | HOME | | 5,402 | 5,947 | 545 | 10.09% |
| Colusa | Colusa County | CDBG | HOME | ESG | 9,732 | 10,910 | 1,178 | 12.10% |
| Colusa | Williams | CDBG | HOME | | 3,670 | 5,349 | 1,679 | 45.75% |
| Contra Costa | Antioch | | | ESG | 90,532 | 102,330 | 11,798 | 13.03% |
| Contra Costa | Concord | | | ESG | 121,872 | 125,864 | 3,992 | 3.28% |
| Contra Costa | Pittsburg | | | ESG | 56,769 | 64,967 | 8,198 | 14.44% |
| Contra Costa | Richmond | | | ESG | 99,216 | 105,630 | 6,414 | 6.46% |
| Contra Costa | San Ramon | | | ESG | 44,722 | 64,860 | 20,138 | 45.03% |
| Contra Costa | Walnut Creek | | | ESG | 64,296 | 66,584 | 2,288 | 3.56% |
| Del Norte | Crescent City | CDBG | HOME | | 7,347 | 7,609 | 262 | 3.57% |
| Del Norte | Del Norte County | CDBG | HOME | ESG | 20,160 | 29,673 | 9,513 | 47.19% |
| El Dorado | El Dorado County | CDBG | HOME | ESG | 123,080 | 147,503 | 24,423 | 19.84% |
| El Dorado | Placerville | CDBG | HOME | | 9,610 | 10,429 | 819 | 8.52% |
| El Dorado | South Lake Tahoe | CDBG | HOME | | 23,609 | 24,087 | 478 | 2.02% |
| Fresno | Coalinga | CDBG | | | 11,668 | 13,380 | 1,712 | 14.67% |
| Fresno | Clovis | | HOME | ESG | 68,516 | 96,868 | 28,352 | 41.38% |
| Fresno | Firebaugh | CDBG | HOME | ESG | 5,743 | 6,941 | 1,198 | 20.86% |
| Fresno | Fowler | CDBG | | | 3,992 | 5,570 | 1,578 | 39.52% |
| Fresno | Huron | CDBG | HOME | ESG | 6,310 | 8,082 | 1,772 | 28.08% |
| Fresno | Orange Cove | CDBG | HOME | ESG | 7,722 | 11,049 | 3,327 | 43.08% |
| Fresno | Parlier | CDBG | HOME | ESG | 11,145 | 13,658 | 2,513 | 22.55% |

| | | | | | | | | |
|---|-----------------|------|------|-----|---------|---------|--------|--------|
| Fresno | San Joaquin | CDBG | HOME | ESG | 3,270 | 4,071 | 801 | 24.50% |
| Glenn | Glenn County | CDBG | HOME | ESG | 13,952 | 15,428 | 1,476 | 10.58% |
| Glenn | Orland | CDBG | HOME | | 6,281 | 7,501 | 1,220 | 19.42% |
| Glenn | Willows | CDBG | HOME | | 6,220 | 6,505 | 285 | 4.58% |
| Humboldt | Arcata | CDBG | HOME | | 16,651 | 17,712 | 1,061 | 6.37% |
| Humboldt | Blue Lake | CDBG | HOME | | 1,137 | 1,170 | 33 | 2.90% |
| Humboldt | Eureka | CDBG | HOME | | 26,128 | 26,066 | -62 | -0.24% |
| Humboldt | Ferndale | CDBG | HOME | | 1,382 | 1,444 | 62 | 4.49% |
| Humboldt | Fortuna | CDBG | HOME | | 10,498 | 11,364 | 866 | 8.25% |
| Humboldt | Humboldt County | CDBG | HOME | ESG | 67,236 | 72,039 | 4,803 | 7.14% |
| Humboldt | Rio Dell | CDBG | HOME | | 3,174 | 3,295 | 121 | 3.81% |
| Humboldt | Trinidad | CDBG | HOME | | 312 | 310 | -2 | -0.64% |
| Imperial | Brawley | CDBG | HOME | | 22,052 | 27,743 | 5,691 | 25.81% |
| Imperial | Calexico | CDBG | HOME | | 27,109 | 40,075 | 12,966 | 47.83% |
| Imperial | Calipatria | CDBG | HOME | | 7,289 | 8,233 | 944 | 12.95% |
| El Centro (eligible for Colonia Allocation only) | | | | | | | | |
| Imperial | El Centro | | HOME | | 38,025 | 45,365 | 7,340 | 19.30% |
| Imperial | Holtville | CDBG | HOME | | 5,612 | 6,641 | 1,029 | 18.34% |
| Imperial | Imperial | CDBG | HOME | | 7,560 | 13,374 | 5,814 | 76.90% |
| Imperial | Imperial County | CDBG | HOME | ESG | 32,583 | 39,182 | 6,599 | 20.25% |
| Imperial | Westmorland | CDBG | HOME | | 2,131 | 2,416 | 285 | 13.37% |
| Inyo | Bishop | CDBG | HOME | | 3,575 | 3,543 | -32 | -0.90% |
| Inyo | Inyo County | CDBG | HOME | ESG | 14,496 | 14,567 | 71 | 0.49% |
| Kern | Delano | CDBG | HOME | ESG | 39,499 | 54,447 | 14,948 | 37.84% |
| Kern | Maricopa | CDBG | HOME | | 1,111 | 1,153 | 42 | 3.78% |
| Kern | McFarland | CDBG | HOME | ESG | 9,835 | 13,942 | 4,107 | 41.76% |
| Kern | Taft | CDBG | HOME | ESG | 8,811 | 9,264 | 453 | 5.14% |
| Kern | Wasco | CDBG | HOME | ESG | 21,263 | 25,541 | 4,278 | 20.12% |
| Kings | Avenal | CDBG | HOME | | 14,674 | 16,236 | 1,562 | 10.64% |
| Kings | Corcoran | CDBG | HOME | | 20,843 | 25,692 | 4,849 | 23.26% |
| Kings | Hanford | | HOME | | 41,686 | 53,266 | 11,580 | 27.78% |
| Kings | Kings County | CDBG | HOME | ESG | 32,546 | 35,634 | 3,088 | 9.49% |
| Kings | Lemoore | CDBG | HOME | | 19,712 | 25,461 | 5,749 | 29.16% |
| Lake | Clearlake | CDBG | HOME | | 13,147 | 14,385 | 1,238 | 9.42% |
| Lake | Lake County | CDBG | HOME | ESG | 40,358 | 44,528 | 4,170 | 10.33% |
| Lake | Lakeport | CDBG | HOME | | 4,820 | 5,140 | 320 | 6.64% |
| Lassen | Lassen County | CDBG | HOME | ESG | 16,363 | 18,458 | 2,095 | 12.80% |
| Lassen | Susanville | CDBG | HOME | | 17,465 | 17,431 | -34 | -0.19% |
| Los Angeles | Alhambra | | | ESG | 85,757 | 89,501 | 3,744 | 4.37% |
| Los Angeles | Artesia | CDBG | HOME | ESG | 16,380 | 17,608 | 1,228 | 7.50% |
| Los Angeles | Avalon | CDBG | HOME | ESG | 3,279 | 3,559 | 280 | 8.54% |
| Los Angeles | Baldwin Park | | | ESG | 75,837 | 81,604 | 5,767 | 7.60% |
| Los Angeles | Bellflower | | | ESG | 72,878 | 77,312 | 4,434 | 6.08% |
| Los Angeles | Burbank | | | ESG | 100,316 | 108,469 | 8,153 | 8.13% |
| Los Angeles | Carson | | HOME | ESG | 89,730 | 98,047 | 8,317 | 9.27% |
| Los Angeles | Downey | | | ESG | 107,323 | 113,715 | 6,392 | 5.96% |
| Los Angeles | Gardena | | HOME | ESG | 57,746 | 61,927 | 4,181 | 7.24% |
| Los Angeles | Glendora | | HOME | ESG | 49,415 | 52,830 | 3,415 | 6.91% |
| Los Angeles | Hawthorne | | | ESG | 84,112 | 90,145 | 6,033 | 7.17% |
| Los Angeles | Hidden Hills | CDBG | HOME | ESG | 1,875 | 2,025 | 150 | 8.00% |
| Los Angeles | Huntington Park | | | ESG | 61,348 | 64,219 | 2,871 | 4.68% |
| Los Angeles | Industry | CDBG | HOME | ESG | 777 | 803 | 26 | 3.35% |

| | | | | | | | | |
|-------------|----------------------|------|------|-----|---|---------|----------|---------|
| Los Angeles | Lakewood | | HOME | ESG | 79,345 | 83,636 | 4,291 | 5.41% |
| Los Angeles | Lancaster | | HOME | ESG | 118,718 | 145,875 | 27,157 | 22.88% |
| Los Angeles | Lynwood | | | ESG | 69,845 | 73,295 | 3,450 | 4.94% |
| Los Angeles | Montebello | | | ESG | 62,150 | 65,781 | 3,631 | 5.84% |
| Los Angeles | Monterey Park | | | ESG | 60,051 | 65,027 | 4,976 | 8.29% |
| Los Angeles | Norwalk | | | ESG | 104,323 | 109,817 | 5,494 | 5.27% |
| Los Angeles | Palmdale | | | ESG | 116,670 | 152,622 | 35,952 | 30.82% |
| Los Angeles | Palos Verdes Estates | CDBG | HOME | | 13,340 | 14,085 | 745 | 5.58% |
| Los Angeles | Paramount | | | ESG | 55,266 | 57,989 | 2,723 | 4.93% |
| Los Angeles | Pico Rivera | | HOME | ESG | 63,428 | 66,967 | 3,539 | 5.58% |
| Los Angeles | Redondo Beach | | HOME | ESG | 63,261 | 68,105 | 4,844 | 7.66% |
| Los Angeles | Rosemead | | | ESG | 53,505 | 57,756 | 4,251 | 7.95% |
| Los Angeles | Santa Clarita | | HOME | ESG | 151,131 | 177,641 | 26,510 | 17.54% |
| Los Angeles | Santa Monica | | | ESG | 84,084 | 92,703 | 8,619 | 10.25% |
| Los Angeles | Torrance | | HOME | ESG | 137,946 | 149,717 | 11,771 | 8.53% |
| Los Angeles | Vernon | CDBG | HOME | ESG | 91 | 96 | 5 | 5.49% |
| Los Angeles | West Covina | | HOME | ESG | 105,080 | 112,890 | 7,810 | 7.43% |
| Los Angeles | Whittier | | | ESG | 83,639 | 87,128 | 3,489 | 4.17% |
| Madera | Chowchilla | CDBG | HOME | | 14,416 | 18,698 | 4,282 | 29.70% |
| Madera | Madera | | HOME | | 43,207 | 58,243 | 15,036 | 34.80% |
| Madera | Madera County | CDBG | HOME | ESG | 65,486 | 76,714 | 11,228 | 17.15% |
| Marin | Marin County | | | ESG | 986,050 | 70,685 | -915,365 | -92.83% |
| Mariposa | Mariposa County | CDBG | HOME | ESG | 17,130 | 18,192 | 1,062 | 6.20% |
| Mendocino | Fort Bragg | CDBG | HOME | | 6,814 | 6,855 | 41 | 0.60% |
| Mendocino | Mendocino County | CDBG | HOME | ESG | 58,407 | 62,192 | 3,785 | 6.48% |
| Mendocino | Point Arena | CDBG | HOME | | 474 | 491 | 17 | 3.59% |
| Mendocino | Ukiah | CDBG | HOME | | 15,497 | 15,682 | 185 | 1.19% |
| Mendocino | Willits | CDBG | HOME | | 5,073 | 5,069 | -4 | -0.08% |
| Merced | Atwater | CDBG | HOME | | 23,113 | 27,755 | 4,642 | 20.08% |
| Merced | Dos Palos | CDBG | HOME | | 4,385 | 5,041 | 656 | 14.96% |
| Merced | Gustine | CDBG | HOME | | 4,698 | 5,250 | 552 | 11.75% |
| Merced | Livingston | CDBG | HOME | | 10,473 | 14,051 | 3,578 | 34.16% |
| Merced | Los Banos | CDBG | HOME | | 25,869 | 36,421 | 10,552 | 40.79% |
| Merced | Merced County | CDBG | HOME | ESG | 78,123 | 88,992 | 10,869 | 13.91% |
| Modoc | Alturas | CDBG | HOME | | 2,892 | 2,798 | -94 | -3.25% |
| Modoc | Modoc County | CDBG | HOME | ESG | 6,557 | 6,979 | 422 | 6.44% |
| Mono | Mammoth Lakes | CDBG | HOME | | 7,093 | 7,299 | 206 | 2.90% |
| Mono | Mono County | CDBG | HOME | ESG | 5,760 | 6,318 | 558 | 9.69% |
| Monterey | Carmel | CDBG | HOME | | 4,081 | 4,053 | -28 | -0.69% |
| Monterey | Del Rey Oaks | CDBG | HOME | | 1,650 | 1,649 | -1 | -0.06% |
| Monterey | Gonzales | CDBG | HOME | | 7,564 | 9,114 | 1,550 | 20.49% |
| Monterey | Greenfield | CDBG | HOME | | 12,648 | 17,898 | 5,250 | 41.51% |
| Monterey | King City | CDBG | HOME | | 11,204 | 12,140 | 936 | 8.35% |
| Monterey | Marina | CDBG | HOME | | 18,925 | 19,445 | 520 | 2.75% |
| Monterey | Monterey | | HOME | | 29,696 | 29,455 | -241 | -0.81% |
| | | | | | Monterey County and all jurisdictions eligible except for Salinas | | | |
| Monterey | Monterey County | CDBG | HOME | | 101,414 | 109,607 | 8,193 | 8.08% |
| Monterey | Pacific Grove | CDBG | HOME | | 15,522 | 15,683 | 161 | 1.04% |
| Monterey | Sand City | CDBG | HOME | | 261 | 329 | 68 | 26.05% |
| Monterey | Seaside | | HOME | | 33,097 | 34,628 | 1,531 | 4.63% |
| Monterey | Soledad | CDBG | HOME | | 23,015 | 27,929 | 4,914 | 21.35% |
| Napa | American Canyon | CDBG | HOME | | 9,774 | 16,836 | 7,062 | 72.25% |

| | | | | | | | | |
|----------------|------------------------|------|------|-----|---------|---------|--------|---------|
| Napa | Calistoga | CDBG | HOME | | 5,190 | 5,370 | 180 | 3.47% |
| Napa | Napa | | HOME | | 72,585 | 78,791 | 6,206 | 8.55% |
| Napa | Napa County | CDBG | HOME | ESG | 27,483 | 28,653 | 1,170 | 4.26% |
| Napa | St. Helena | CDBG | HOME | | 5,950 | 6,010 | 60 | 1.01% |
| Napa | Yountville | CDBG | HOME | | 3,297 | 3,257 | -40 | -1.21% |
| Nevada | Grass Valley | CDBG | HOME | | 10,922 | 12,746 | 1,824 | 16.70% |
| Nevada | Nevada City | CDBG | HOME | | 2,996 | 3,040 | 44 | 1.47% |
| Nevada | Nevada County | CDBG | HOME | ESG | 64,251 | 66,614 | 2,363 | 3.68% |
| Nevada | Truckee | CDBG | | | 13,864 | 16,280 | 2,416 | 17.43% |
| Orange | Buena Park | | HOME | ESG | 77,962 | 84,141 | 6,179 | 7.93% |
| Orange | Costa Mesa | | | ESG | 108,724 | 117,178 | 8,454 | 7.78% |
| Orange | Fountain Valley | | HOME | ESG | 54,978 | 58,741 | 3,763 | 6.84% |
| Orange | Fullerton | | | ESG | 126,003 | 138,610 | 12,607 | 10.01% |
| Orange | Huntington Beach | | | ESG | 189,627 | 203,484 | 13,857 | 7.31% |
| Orange | Irvine | | | ESG | 143,072 | 217,686 | 74,614 | 52.15% |
| Orange | Laguna Niguel | | HOME | ESG | 61,891 | 67,666 | 5,775 | 9.33% |
| Orange | La Habra | | HOME | ESG | 58,974 | 63,184 | 4,210 | 7.14% |
| Orange | Lake Forest | | HOME | ESG | 58,707 | 78,720 | 20,013 | 34.09% |
| Orange | Mission Viejo | | HOME | ESG | 93,102 | 100,725 | 7,623 | 8.19% |
| Orange | Newport Beach | | HOME | ESG | 70,032 | 86,738 | 16,706 | 23.85% |
| Orange | Orange (city) | | | ESG | 128,868 | 142,708 | 13,840 | 10.74% |
| Orange | Rancho Santa Margarita | | HOME | ESG | 47,214 | 49,945 | 2,731 | 5.78% |
| Orange | San Clemente | | HOME | ESG | 49,936 | 68,763 | 18,827 | 37.70% |
| Orange | San Juan Capistrano | CDBG | HOME | ESG | 33,826 | 37,233 | 3,407 | 10.07% |
| Orange | Tustin | | HOME | ESG | 67,504 | 75,773 | 8,269 | 12.25% |
| Orange | Westminster | | | ESG | 88,207 | 94,294 | 6,087 | 6.90% |
| Placer | Auburn | CDBG | HOME | | 12,462 | 13,578 | 1,116 | 8.96% |
| Placer | Colfax | CDBG | HOME | | 1,520 | 1,993 | 473 | 31.12% |
| Placer | Lincoln | CDBG | HOME | | 11,205 | 41,111 | 29,906 | 266.90% |
| Placer | Loomis | CDBG | HOME | | 6,260 | 6,743 | 483 | 7.72% |
| Placer | Placer County | CDBG | HOME | ESG | 100,701 | 111,877 | 11,176 | 11.10% |
| Placer | Rocklin | | HOME | | 36,330 | 56,019 | 19,689 | 54.19% |
| Placer | Roseville | | HOME | | 79,921 | 115,781 | 35,860 | 44.87% |
| Plumas | Plumas County | CDBG | HOME | ESG | 18,597 | 18,431 | -166 | -0.89% |
| Plumas | Portola | CDBG | HOME | | 2,227 | 1,997 | -230 | -10.33% |
| Riverside | Calimesa | CDBG | HOME | ESG | 7,139 | 7,555 | 416 | 5.83% |
| Riverside | Coachella | CDBG | HOME | ESG | 22,724 | 42,591 | 19,867 | 87.43% |
| Riverside | Corona | | | ESG | 124,966 | 150,416 | 25,450 | 20.37% |
| Riverside | Hemet | | HOME | ESG | 58,812 | 75,820 | 17,008 | 28.92% |
| Riverside | Indian Wells | CDBG | HOME | ESG | 3,816 | 5,144 | 1,328 | 34.80% |
| Riverside | Moreno Valley | | | ESG | 142,379 | 188,537 | 46,158 | 32.42% |
| Riverside | Palm Desert | | HOME | ESG | 41,155 | 52,067 | 10,912 | 26.51% |
| Riverside | Palm Springs | | HOME | ESG | 42,805 | 48,040 | 5,235 | 12.23% |
| Riverside | Rancho Mirage | CDBG | HOME | ESG | 13,249 | 17,008 | 3,759 | 28.37% |
| Sacramento | Citrus Heights | | | ESG | 85,071 | 88,115 | 3,044 | 3.58% |
| Sacramento | Elk Grove | | HOME | ESG | NA | 143,885 | NA | NA |
| Sacramento | Rancho Cordova | | | ESG | NA | 62,899 | NA | NA |
| San Benito | Hollister | CDBG | HOME | | 34,424 | 37,301 | 2,877 | 8.36% |
| San Benito | San Benito County | CDBG | HOME | ESG | 17,261 | 19,192 | 1,931 | 11.19% |
| San Benito | San Juan Bautista | CDBG | HOME | | 1,549 | 1,895 | 346 | 22.34% |
| San Bernardino | Apple Valley | | | ESG | 54,239 | 70,040 | 15,801 | 29.13% |
| San Bernardino | Chino | | HOME | ESG | 67,168 | 84,742 | 17,574 | 26.16% |
| San Bernardino | Chino Hills | | | ESG | 66,787 | 78,971 | 12,184 | 18.24% |
| San Bernardino | Hesperia | | HOME | ESG | 62,590 | 88,479 | 25,889 | 41.36% |
| San Bernardino | Rancho Cucamonga | | | ESG | 127,743 | 178,904 | 51,161 | 40.05% |

| | | | | | | | | |
|-----------------|----------------------|------|------|-----|--|---------|---------|---------|
| San Bernardino | Rialto | | | ESG | 91,882 | 100,260 | 8,378 | 9.12% |
| San Bernardino | Upland | | HOME | ESG | 68,393 | 76,106 | 7,713 | 11.28% |
| San Bernardino | Victorville | | | ESG | 64,029 | 112,097 | 48,068 | 75.07% |
| San Diego | Carlsbad | | | ESG | 78,306 | 106,804 | 28,498 | 36.39% |
| San Diego | El Cajon | | | ESG | 94,869 | 99,637 | 4,768 | 5.03% |
| San Diego | Encinitas | | | ESG | 57,955 | 65,171 | 7,216 | 12.45% |
| San Diego | Escondido | | | ESG | 133,663 | 147,514 | 13,851 | 10.36% |
| San Diego | La Mesa | | | ESG | 54,749 | 58,150 | 3,401 | 6.21% |
| San Diego | National City | | | ESG | 54,260 | 57,799 | 3,539 | 6.52% |
| San Diego | San Marcos | | | ESG | 54,977 | 84,391 | 29,414 | 53.50% |
| San Diego | Santee | | | ESG | 52,946 | 58,044 | 5,098 | 9.63% |
| San Diego | Vista | | | ESG | 89,857 | 97,513 | 7,656 | 8.52% |
| San Luis Obispo | Morro Bay | CDBG | HOME | ESG | 10,350 | 10,608 | 258 | 2.49% |
| San Luis Obispo | Pismo Beach | CDBG | HOME | ESG | 8,551 | 8,704 | 153 | 1.79% |
| San Mateo | Daly City | | | ESG | 103,625 | 108,383 | 4,758 | 4.59% |
| San Mateo | Redwood City | | | ESG | 75,402 | 78,568 | 3,166 | 4.20% |
| San Mateo | San Mateo (city) | | | ESG | 92,482 | 97,535 | 5,053 | 5.46% |
| San Mateo | South San Francisco | | | ESG | 60,552 | 65,872 | 5,320 | 8.79% |
| Santa Barbara | Buellton | CDBG | | | 3,828 | 4,833 | 1,005 | 26.25% |
| Santa Barbara | Carpinteria | CDBG | | | 14,194 | 14,528 | 334 | 2.35% |
| Santa Barbara | Goleta | | | ESG | NA | 31,099 | NA | NA |
| Santa Barbara | Guadalupe | CDBG | HOME | ESG | 5,659 | 6,570 | 911 | 16.10% |
| Santa Barbara | Santa Barbara (city) | | | ESG | 89,606 | 90,893 | 1,287 | 1.44% |
| Santa Barbara | Santa Maria | | | ESG | 77,423 | 93,225 | 15,802 | 20.41% |
| Santa Barbara | Solvang | CDBG | | | 5,332 | 5,487 | 155 | 2.91% |
| Santa Clara | Cupertino | | HOME | | 50,602 | 56,431 | 5,829 | 11.52% |
| Santa Clara | Gilroy | | HOME | | 41,464 | 52,027 | 10,563 | 25.48% |
| Santa Clara | Milpitas | | HOME | | 62,698 | 71,552 | 8,854 | 14.12% |
| Santa Clara | Palo Alto | | HOME | | 58,598 | 65,408 | 6,810 | 11.62% |
| | | | | | Santa Clara County and all jurisdictions eligible <u>except</u> for San Jose | | | |
| Santa Clara | Santa Clara County | | | | 99,813 | 91,832 | -7,981 | -8.00% |
| Santa Cruz | Capitola | CDBG | HOME | | 10,033 | 10,198 | 165 | 1.64% |
| Santa Cruz | Santa Cruz County | CDBG | HOME | ESG | 135,345 | 59,684 | -75,661 | -55.90% |
| Santa Cruz | Scotts Valley | CDBG | HOME | | 11,385 | 11,903 | 518 | 4.55% |
| Santa Cruz | Watsonville | | HOME | | 44,246 | 52,543 | 8,297 | 18.75% |
| Shasta | Anderson | CDBG | HOME | | 9,027 | 10,826 | 1,799 | 19.93% |
| Shasta | Shasta County | CDBG | HOME | ESG | 64,271 | 71,566 | 7,295 | 11.35% |
| Shasta | Shasta Lake | CDBG | HOME | | 9,093 | 10,294 | 1,201 | 13.21% |
| Sierra | Loyalton | CDBG | HOME | | 862 | 825 | -37 | -4.29% |
| Sierra | Sierra County | CDBG | HOME | ESG | 2,693 | 2,478 | -215 | -7.98% |
| Siskiyou | Dorris | CDBG | HOME | | 886 | 858 | -28 | -3.16% |
| Siskiyou | Dunsmuir | CDBG | HOME | | 1,923 | 1,814 | -109 | -5.67% |
| Siskiyou | Etna | CDBG | HOME | | 781 | 747 | -34 | -4.35% |
| Siskiyou | Fort Jones | CDBG | HOME | | 660 | 658 | -2 | -0.30% |
| Siskiyou | Montague | CDBG | HOME | | 1,456 | 1,488 | 32 | 2.20% |
| Siskiyou | Mount Shasta | CDBG | HOME | | 3,621 | 3,595 | -26 | -0.72% |
| Siskiyou | Siskiyou County | CDBG | HOME | ESG | 23,686 | 25,462 | 1,776 | 7.50% |
| Siskiyou | Tulelake | CDBG | HOME | | 1,020 | 964 | -56 | -5.49% |
| Siskiyou | Weed | CDBG | HOME | | 2,978 | 3,009 | 31 | 1.04% |
| Siskiyou | Yreka | CDBG | HOME | | 7,290 | 7,415 | 125 | 1.71% |
| Solano | Benicia | CDBG | HOME | | 26,865 | 28,086 | 1,221 | 4.54% |
| Solano | Dixon | CDBG | HOME | | 16,103 | 17,605 | 1,502 | 9.33% |

| | | | | | | | | |
|------------|-----------------|------|------|-----|---------|---------|---------|---------|
| Solano | Fairfield | | HOME | | 96,178 | 105,955 | 9,777 | 10.17% |
| Solano | Rio Vista | CDBG | HOME | | 4,571 | 8,324 | 3,753 | 82.10% |
| Solano | Solano County | | HOME | ESG | 19,305 | 20,165 | 860 | 4.45% |
| Solano | Suisan City | CDBG | HOME | | 26,118 | 28,962 | 2,844 | 10.89% |
| Solano | Vacaville | | HOME | | 88,642 | 97,305 | 8,663 | 9.77% |
| Sonoma | Petaluma | | HOME | | 54,550 | 58,401 | 3,851 | 7.06% |
| Sonoma | Santa Rosa | | | ESG | 147,595 | 163,436 | 15,841 | 10.73% |
| Stanislaus | Hughson | CDBG | HOME | ESG | 3,980 | 6,240 | 2,260 | 56.78% |
| Stanislaus | Riverbank | CDBG | HOME | ESG | 15,826 | 22,201 | 6,375 | 40.28% |
| Stanislaus | Turlock | | | ESG | 55,811 | 71,181 | 15,370 | 27.54% |
| Sutter | Live Oak | CDBG | HOME | | 6,229 | 8,791 | 2,562 | 41.13% |
| Sutter | Sutter County | CDBG | HOME | ESG | 35,943 | 24,991 | -10,952 | -30.47% |
| Sutter | Yuba City | | HOME | | 36,758 | 65,372 | 28,614 | 77.84% |
| Tehama | Corning | CDBG | HOME | | 6,741 | 7,409 | 668 | 9.91% |
| Tehama | Red Bluff | CDBG | HOME | | 13,147 | 13,825 | 678 | 5.16% |
| Tehama | Tehama | CDBG | HOME | | 432 | 426 | -6 | -1.39% |
| Tehama | Tehama County | CDBG | HOME | ESG | 35,719 | 41,440 | 5,721 | 16.02% |
| Trinity | Trinity County | CDBG | HOME | ESG | 13,022 | 13,898 | 876 | 6.73% |
| Tulare | Dinuba | CDBG | HOME | | 16,844 | 21,542 | 4,698 | 27.89% |
| Tulare | Exeter | CDBG | HOME | | 9,168 | 10,752 | 1,584 | 17.28% |
| Tulare | Farmerville | CDBG | HOME | | 8,737 | 10,971 | 2,234 | 25.57% |
| Tulare | Lindsay | CDBG | HOME | | 10,297 | 11,800 | 1,503 | 14.60% |
| Tulare | Porterville | | HOME | | 39,615 | 52,960 | 13,345 | 33.69% |
| Tulare | Tulare | | HOME | | 43,994 | 59,535 | 15,541 | 35.33% |
| Tulare | Tulare County | CDBG | HOME | | 140,822 | 146,356 | 5,534 | 3.93% |
| Tulare | Woodlake | CDBG | HOME | | 6,653 | 7,927 | 1,274 | 19.15% |
| Tuolumne | Sonora | CDBG | HOME | | 4,423 | 4,672 | 249 | 5.63% |
| Tuolumne | Tuolumne County | CDBG | HOME | | 50,081 | 51,414 | 1,333 | 2.66% |
| Ventura | Camarillo | | HOME | | 57,084 | 66,690 | 9,606 | 16.83% |
| Ventura | Simi Valley | | HOME | | 111,351 | 126,902 | 15,551 | 13.97% |
| Ventura | Thousand Oaks | | HOME | | 117,005 | 130,209 | 13,204 | 11.28% |
| Yolo | West Sacramento | CDBG | HOME | | 31,615 | 48,426 | 16,811 | 53.17% |
| Yolo | Winters | CDBG | HOME | | 6,125 | 7,098 | 973 | 15.89% |
| Yolo | Woodland | | HOME | | 49,155 | 57,288 | 8,133 | 16.55% |
| Yolo | Yolo County | CDBG | HOME | | 21,457 | 23,571 | 2,114 | 9.85% |
| Yuba | Marysville | | HOME | | 12,268 | 12,867 | 599 | 4.88% |
| Yuba | Wheatland | CDBG | HOME | | 2,272 | 3,558 | 1,286 | 56.60% |
| Yuba | Yuba County | CDBG | HOME | | 45,679 | 56,955 | 11,276 | 24.69% |

Appendix D

Areas of Poverty and Minority Concentration

| Eligible CDBG / HOME Counties ¹ | Percentage of population in Poverty ² | Percentage of non- white individuals (including Hispanic) ³ |
|--|--|--|
| Alpine | 19.5% | 28.2% |
| Amador | 9.2% | 17.6% |
| Butte | 19.8% | 20.0% |
| Calaveras | 11.8% | 12.5% |
| Colusa | 16.1% | 52.0% |
| Del Norte | 20.2% | 29.9% |
| El Dorado | 7.1% | 15.1% |
| Fresno | 22.5% | 60.3% |
| Glenn | 18.1% | 37.4% |
| Humboldt | 19.5% | 18.4% |
| Imperial | 22.6% | 79.8% |
| Inyo | 12.6% | 25.6% |
| Kern | 20.8% | 50.5% |
| Kings | 19.5% | 58.4% |
| Lake | 17.6% | 19.5% |
| Lassen | 14.0% | 29.4% |
| Los Angeles | 17.9% | 68.9% |
| Madera | 21.4% | 53.4% |
| Mariposa | 14.8% | 15.1% |
| Mendocino | 15.9% | 25.1% |
| Merced | 21.7% | 59.4% |
| Modoc | 21.5% | 18.9% |
| Mono | 11.5% | 23.5% |
| Monterey | 13.5% | 59.7% |
| Napa | 8.3% | 30.9% |
| Nevada | 8.1% | 9.7% |
| Orange | 10.7% | 48.7% |
| Placer | 5.8% | 16.6% |
| Plumas | 13.1% | 11.3% |
| Riverside | 14.2% | 49.0% |
| Sacramento | 14.1% | 42.2% |
| San Benito | 10.0% | 54.0% |
| San Bernardino | 15.8% | 56.0% |
| San Joaquin | 17.7% | 52.6% |
| San Luis Obispo | 12.8% | 23.9% |
| Santa Barbara | 14.3% | 43.1% |
| Santa Clara | 7.5% | 55.8% |
| Santa Cruz | 11.9% | 34.5% |
| Shasta | 15.4% | 13.6% |
| Sierra | 11.3% | 9.7% |
| Siskiyou | 18.6% | 16.7% |
| Solano | 8.3% | 50.8% |

| | | |
|------------|-------|-------|
| Sonoma | 8.3% | 25.5% |
| Stanislaus | 16.0% | 42.7% |
| Sutter | 15.5% | 39.8% |
| Tehama | 17.3% | 21.5% |
| Trinity | 18.7% | 13.4% |
| Tulare | 23.9% | 58.2% |
| Tuolumne | 11.4% | 14.9% |
| Ventura | 9.2% | 43.2% |
| Yolo | 18.4% | 41.9% |
| Yuba | 20.8% | 34.7% |

¹ Eligible CDBG and HOME jurisdictions in each listed county are detailed in Appendix A

² US 2000 Census Summary File 3 (SF3) P87 Poverty Status in 1999

³ US 2000 Census Summary File 1 (SF1) P4 Hispanic and Latino Race

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| <p style="text-align: center;">Appendix E</p> <p style="text-align: center;">Antidisplacement and Relocation Assistance Plan</p> |
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It is the State's intent that the attached State Relocation Plan meets the administrative requirement under Section 104(d) relocation law and satisfies the public disclosure requirement for the State Relocation Plan through its inclusion in this Annual Plan.

Applicants to the State CDBG and HOME programs will be required to certify they will follow the State Relocation Plan and the Uniform Relocation Act (URA) Requirements when they apply for grants. Program applicants will be required to certify in their CDBG and HOME application's Statement of Assurances (CDBG) or Applicant Certification and Commitment of Responsibility (HOME) that they will follow the State Relocation Plan and the URA Requirements.

CDBG and HOME grantee contracts with the Department may also contain special conditions relating to relocation to ensure any additional relocation requirements will be adhered to, if required. Each program's application includes items relating to acquisition and/or relocation on application checklists in order to alert the State regarding activities that may trigger compliance with federal relocation law. Contract special conditions language and application checklists will help to ensure that any persons eligible for relocation benefits because of activities funded by our CDBG or HOME grants will receive their proper benefits.

A copy of the plan follows.

State of California

Antidisplacement and Relocation Assistance Plan

The State of California will ensure that all State Recipients of federal grant funds, specifically Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) program funds, replace all occupied and vacant occupiable lower income housing units demolished or converted to a use other than lower income housing as a result of investment of these funds.

All replacement housing will be provided within three years after the commencement of the demolition or conversion. Before entering into a State Contract committing the funds for a project that will directly result in demolition or conversion, the State will require the grant recipient to make public by publication in a newspaper of general circulation, local posting, and submitting to the State, the following information in writing:

1. A description of the proposed assisted project;

1. The address, number of bedrooms, and location on a map of lower income housing that will be demolished or converted to a use other than as lower income housing as a result of an assisted project;
2. A time schedule for the commencement and completion of the demolition or conversion;
4. To the extent known, the address, number of bedrooms and location on a map of the replacement housing that has been or will be provided.
5. The source of funding and a time schedule for the provision of the replacement housing;
6. The basis for concluding that the replacement housing will remain lower income housing for at least 10 years from the date of initial occupancy;
7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a two-bedroom unit with two one-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the approved local housing element and/or Comprehensive Housing Affordability Strategy (CHAS).

To the extent that the specific location of the replacement housing and other data in items 4 through 7 are not available at the time of the general submission, the State Recipient will identify the general location of such housing on a map and complete the disclosure and submission requirements as soon as the specific data are available.

The Grantee awarded Federal funds by the State is responsible for tracking the replacement of lower income housing and ensuring that it is provided within the required period. The State will monitor the Grantee to ensure the proper number and type of units are replaced.

The Grantee awarded Federal funds by the State is responsible for providing relocation payments and other relocation assistance to any lower income person displaced by the demolition of any housing or the conversion of lower income housing to another use. The State will monitor the Grantee to ensure the proper relocation benefits are provided to displaced households. All relocation benefits will be at or above the required benefits per CFR Part 42 Subpart d under Section 104 (d). If the project receives HOME funds, the requirements of 24 CFR 92.353 must be met.

Consistent with the goals and objectives of activities assisted under the Act, the Grantee awarded federal funds by the State will take the following steps to minimize the direct and indirect displacement of persons from their homes:

1. Coordinate code enforcement with rehabilitation and housing assistance programs.

2. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.
3. Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.
4. Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.
5. Adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods.
6. Adopt policies which provide reasonable protections for tenants faced with conversion to a condominium or cooperative.
7. Adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.
8. Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.
9. The State will require all Grantees to adopt specific relocation plans for programs and projects which could trigger relocation activities prior to release of funds for those funded activities.
9. The State will require documentation of relocation notices for proposed activities in funding applications which could trigger relocation of existing persons.
11. All persons subject to relocation will be informed of a formal appeal process. The State will require a formal appeal process to be included in all relocation plans for CDBG projects that displace persons. At a minimum, the appeals process will allow persons to submit written appeals of their relocation determinations or determinations of benefits within 60 days of relocation notification. The formal appeals process will also explain how to contact the State or HUD for administrative review. If the person continues to be dissatisfied with the formal appeals process then the person may pursue legal action to resolve the disagreement.

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| <p>Appendix F Public Notices</p> |
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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**Division of Financial Assistance**

1800 Third Street, Suite 390
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 322-1560 / FAX (916) 322-6660
www.hcd.ca.gov



March 19, 2012

FOR IMMEDIATE POSTING**PUBLIC NOTICE FOR COMMENT**

***Draft 2012-13 Annual Plan Update of the
State of California's 2010-2015 Consolidated Plan***

The State of California, Department of Housing and Community Development (Department), is soliciting public review and comment on the Draft 2012-13 Annual Plan Update for the State of California's 2010-2015 Consolidated Plan.

The Consolidated Plan is updated annually and submitted to HUD to enable the State to administer approximately \$84 million in federal funds under the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and Lead-Based Paint Hazard Control Program (LHCP). The State Consolidated Plan is primarily applicable to non-entitlement jurisdictions that are eligible to compete for allocation of these funds by the State.

The 2010-2015 Consolidated Plan, for which this Annual Plan Update has been prepared: 1) identifies housing needs and problems; 2) analyzes market conditions and resources; 3) sets priorities and adopts strategies for addressing the identified needs; 4) describes criteria and procedures for allocating resources; and 5) contains a plan which identifies federal funds expected to be used, indicating the activities on which they will be spent, and sets goals for the number and types of households to be assisted through the federally-funded programs named above.

The public review period for these documents is 30 days, from **March 26, 2012 through April 24, 2012**. The Department must receive all comments on this document by **April 24, 2012**.

Written comments can be submitted via facsimile (916-327-6660), electronic mail (caper@hcd.ca.gov), or mailed to the following address:

Department of Housing and Community Development,
Division of Financial Assistance
P.O. Box 952054
Sacramento, California 94252-2054
Attention: Ann Hornbeck

The Draft 2012-13 Annual Plan is available for public review on the Department's website at www.hcd.ca.gov, in Sacramento at the Department's Housing Resource Center in Room 430; at planning departments of counties with at least one non-entitlement jurisdiction, and at the following depository libraries:

California State Library, Government Publications (Sacramento)
 California State University, Meriam Library (Chico)
 California State University, Library- Government (Long Beach)
 Free Library, Government Publications (Fresno County)
 Public Library, Serials Division (Los Angeles)
 Public Library (Oakland)
 Public Library, Science & Industry Department (San Diego)
 Public Library, Government Documents Dept (SF)
 Stanford University Libraries, Green Library, Government Docs
 University of California, Government Documents Library (Berkeley)
 University of California, Shields Library, Government Documents (Davis)
 University of California, Research Library (LA)
 University of California, Government Documents (San Diego/La Jolla)
 University of California, Government Publications (Santa Barbara)

In addition, public hearings will be held in the following locations:

| Location | Address | Date/Time | Phone No. |
|--------------------------|---|--|----------------|
| Sacramento | Department of Housing and Community Development Division of Financial Assistance 1800 3 rd Street, Room 333 Sacramento, CA | Monday, April 16, 2012 1:00 p.m.-3:00 p.m. | (916) 322-1560 |
| Riverside County* | Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 3737 Main Street, Suite 400 Riverside, CA | Friday, April 20, 2012 1:00 p.m.-3:00 p.m. | (916) 322-1560 |
| Shasta County* | Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 2986 Bechelli Lane, Suite 201 Redding, CA | Tuesday, April 17, 2012 1:00 p.m.-3:00 p.m. | (916) 322-1560 |

* These hearings will be staffed by the Division of Codes and Standards. Other program staff will not be present, but will be available by telephone.

A limited number of copies of these documents are also available to entities or individuals unable to access one of the above sources.

If you have any questions, would like addresses or phone numbers for the county planning departments or are in need of translators or special services, please contact this Department, prior to the review dates at (916) 322-1560. For translator or special services needs, please advise the Department within five working days of the review period in order to facilitate the request.

This proposal has been determined to be EXEMPT from CEQA (Public Resources Code Section 21080.10(b)) and CATEGORICALLY EXCLUDED from NEPA (Title 24 Code of Federal Regulations 50.20(o)(2)).

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**Division of Financial Assistance**

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19 de Marzo de 2012

PARA PUBLICACIÓN INMEDIATA**AVISO PÚBLICO PARA COMENTARIO*****Anteproyecto de la Actualización Anual del Plan Correspondiente al Año Fiscal 2012-2013 del Plan Consolidado del Estado de California***

El Departamento de Vivienda y de Desarrollo Comunitario del Estado de California (Department) solicita la revisión y comentarios públicos al anteproyecto del Plan Anual correspondiente al año fiscal 2012-2013 del Plan Consolidado del Estado de California correspondiendo a los años Fiscales 2010 a 2015.

El Plan Consolidado se actualiza anualmente y es presentado a HUD para permitir que el Estado administre aproximadamente \$84 millones en fondos federales para los siguientes programas: Subsidio Colectivo para el Desarrollo Comunitario (CDBG), Programa de Asociación para Inversiones en Vivienda HOME, Subsidio de Viviendas de Emergencia (ESG), Oportunidades de Vivienda para Personas con SIDA (HOPWA) y Programa para Controlar el Riesgo de la Pintura con Plomo (LEAD). El Plan Consolidado del Estado es aplicable principalmente a jurisdicciones que no reciben fondos directamente de HUD, y cumplen con los requisitos para competir por la asignación de estos fondos por el Estado.

El Plan Consolidado correspondiente a los años Fiscales 2010 a 2015, por cual se preparó la actualización del plan anual: 1) identifica las necesidades y los problemas de vivienda; 2) analiza las condiciones y los recursos del mercado; 3) fija prioridades y adopta estrategias para dirigirse a las necesidades identificadas; 4) describe criterios y procedimientos para asignar recursos; y, 5) contiene un plan que identifica los fondos federales que se espera utilizar, indicando las actividades en las que se invertirán, y establece metas para el número y el tipo de hogares que se asistiran por los programas financiados por el gobierno federal.

El período para comentarios públicos de estos documentos es de 30 días. Dicho período empieza el 26 de Marzo del 2012 y termina el 24 de Abril del 2012. El Departamento debe recibir todo comentario sobre estos documentos a más tardar el 24 de Abril del 2012.

Los comentarios pueden mandarse por fax al (916) 327-6660, por correo electrónico a (**caper@hcd.ca.gov**), ó por correo convencional a:

Department of Housing and Community Development,
Division of Financial Assistance
P.O. Box 952054
Sacramento, California 94252-2054
Attention: Ann Hornbeck

Aviso Anual del Plan
Página 2

El anteproyecto del Plan Anual correspondiente al año fiscal 2012-2013 esta disponible para revisión pública en el sitio web del Departamento (www.hcd.ca.gov), tambien en el Centro de Recursos de Vivienda del Departamento en 1800 3rd Street, Sacramento, CA 95811, interior 430, así como en los departamentos de planificación de condados con al menos una jurisdicción que no recibe fondos directamente de HUD, y en las siguientes bibliotecas con acceso a información del gobierno:

California State Library, Government Publications (Sacramento)
 California State University, Meriam Library (Chico)
 California State University, Library- Government (Long Beach)
 Free Library, Government Publications (Fresno County)
 Public Library, Serials Division (Los Angeles)
 Public Library (Oakland)
 Public Library, Science & Industry Department (San Diego)
 Public Library, Government Documents Dept (SF)
 Stanford University Libraries, Green Library, Government Docs
 University of California, Government Documents Library (Berkeley)
 University of California, Shields Library, Government Documents (Davis)
 University of California, Research Library (LA)
 University of California, Government Documents (San Diego/La Jolla)
 University of California, Government Publications (Santa Barbara)

Además, se celebrarán audiencias públicas en las siguientes localidades:

| Ubicación Teléfono | Dirección | Fecha/Hora | |
|--------------------------|--|--|----------------|
| Sacramento | Department of Housing and Community Development Division of Financial Assistance 1800 3 rd Street, Room 333 Sacramento, CA | 16 de abril 2012 (Lunes) 1:00 p.m.a 3:00 p.m. | (916) 322-1560 |
| Riverside County* | Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 3737 Main Street, Suite 400 Riverside, CA | 20 de abril 2012 (Viércoles) 1:00 p.m. a 3:00 p.m. | (916) 322-1560 |
| Shasta County* | Department of Housing and Community Development Division of Codes and Standards Registration and Titling Program 2986 Bechelli Lane, Suite 201 Redding, CA | 17 de abril 2012 (miércoles) 1:00 p.m. a 3:00 p.m. | (916) 322-1560 |

*Estas audiencias serán dadas por personal del Division of Codes and Standards. Personal de otros programas no estarán presentes, pero estarán disponibles por telefono.

Un número limitado de copias de estos documentos está a disposición para entidades o individuos que no pueden tener acceso a las fuentes antes mencionadas.

Si tiene alguna pregunta o necesita direcciones, comuníquese con este Departamento antes de las fechas de las audiencias, llamando al (916) 322-1560. Si necesita un intérprete o servicios especiales, indíquese al Departamento dentro de los cinco días laborables antes de la audiencia, y así poder cumplir su petición.

Se ha determinado que esta propuesta está EXENTA del CEQA (Sección del Código 21080.10(b), Recursos Públicos) y CATEGÓRICAMENTE EXCLUIDA del NEPA (Título 24, Código de Reglamentaciones Federales 50.20(o)(2)).